

Winterthur, March 15, 2016 Page 1/8

2015 financial year: Increase in profit margin and free cash flow – positive trend in order intake in second half of year – significant increase in sales at After Sales and Components – implementation of STEP UP improvement program on schedule – dividend payout proposed at prior year level

In 2015 Rieter recorded a higher profit margin and free cash flow despite lower volume. Order intake totaled CHF 801.6 million (CHF 1 146.1 million in 2014) and was 6% higher in the second half of the year than in the first six months owing to more positive momentum in the latter period. In comparison to 2014, the After Sales and Components business groups posted a significant increase in sales, while sales were down at the Machines & Systems Business Group. With overall sales of CHF 1 036.8 million (CHF 1 153.4 million in 2014), EBITDA amounted to CHF 115.9 million (CHF 125.4 million in 2014) and the EBITDA margin rose from 10.9% to 11.2% of sales. At 7.0% of sales, the EBIT margin was only slightly lower than in the previous year (7.3%) with EBIT amounting to CHF 73.1 million (CHF 84.6 million in 2014). The net profit margin developed favorably, rising from 4.6% to 4.8% of sales, with net profit totaling CHF 49.8 million (CHF 52.9 million in 2014). The Board of Directors proposes a dividend distribution of CHF 4.50 per share for the 2015 financial year, the same as for the prior year.

The positive trend in profitability indicates that the company is strategically well positioned. Since January 1, 2015, Rieter has been conducting its operations in three business groups: Machines & Systems (machinery business), After Sales (spare parts and services) and Components (technology components). With the year-end figures for 2015, Rieter is for the first time reporting results for a full financial year on the basis of this new structure.

The strategic STEP UP improvement program was implemented systematically and swiftly by Rieter in the 2015 financial year. The aim of this program (adopted in fall 2014) has been to enhance Rieter's innovative drive, expand its after-sales business and to increase the company's profitability. In the year under review, Rieter succeeded in implementing all of the steps scheduled for the period and also pushed ahead with measures planned for the Winterthur site in order to further reduce its exposure to the Swiss franc. The fact that Rieter was able to increase profitability slightly in 2015, even though the demand for staple fiber machinery in key markets was subdued and the abandonment of the minimum exchange rate for the euro by the Swiss National Bank posed additional challenges, supports the strategic approach and the effectiveness of the measures taken.

Rieter worked intensively during the 2015 financial year on the implementation of all three strategic priorities of the STEP UP program: further boosting innovative capabilities, expanding its after-sales business and increasing its profitability.

- **Boosting innovative capability:** Rieter launched innovations for all four spinning processes established on the market in the year under review and also presented these at the ITMA textile machinery trade fair in Milan in November. Customers responded very favorably to the new products and also to the organizational realignment into three business groups (Machines & Systems, After Sales and

Components), which enables Rieter to meet the various market requirements in a more systematic manner.

- **Expanding the after-sales business:** Rieter positioned its important, long-established service facilities on the market as an independent business during the year under review. The After Sales Business Group supports customers in operating their manufacturing facilities with a comprehensive range of services covering the entire product life cycle. This optimizes the utilization of spinning mills and thus enhances their competitiveness. This portfolio of services has quickly gained market acceptance. For the first time the After Sales Business Group presented its own range of services and products at the ITMA textile machinery trade fair. The business group is aiming to grow by more than 30% overall in the next three years, based on sales amounting to CHF 127.5 million in the 2014 financial year. With sales increasing to CHF 139.8 million for the 2015 financial year, the business group developed according to plan.

In April 2015, Rieter opened China's first technology center for short-staple fiber spinning in Changzhou. The spinning center is the most modern in the world and draws on its leading expertise to provide services including on-site spinning trials, customer training and technology trials for customers both in China and in the surrounding markets.

- **Increasing profitability:** In fall 2014 Rieter set out its mid-term financial targets within the framework of the STEP UP program of achieving an EBIT margin (operating profitability) of 10% and a return on net assets (RONA) of 14%.

One priority set by Rieter in the year under review concerned preparations for the streamlining of manufacturing operations at the Winterthur site. Following the shift of the spinning industry to Asia, Rieter had established state-of-the-art production facilities in China and India in recent years. Rieter is now in a position to supply products of the highest level of quality from all sites of its global manufacturing network. The sudden appreciation of the Swiss franc in January 2015 brought further changes in the business environment for Rieter. As a consequence, the company decided to streamline production in Winterthur and reduce the volume of purchases denominated in Swiss francs. Rieter will concentrate on the assembly of machinery in Winterthur. Correspondingly, the workforce there will be reduced by around 150 employees. The consultation procedure has in the meantime been completed. The reduction in the workforce will in part be realized with early retirements and through workforce fluctuation, while for the unavoidable layoffs Rieter has a social plan in place. The implementation of the structural measures at the Winterthur site should yield cost savings of CHF 15-20 million from 2017 onwards.

The Schaltag Group, (comprising Schaltag, AG Switzerland and Schaltag CZ s.r.o., Czech Republic), was also sold in July to a private Swiss investment group with an industrial background in the context of the STEP UP program. The activities of Schaltag were not part of the core business of Rieter.

Positive order intake trend in second half of year

In the year under review the trend in demand in the After Sales and Components businesses was positive, while the Machines & Systems business reflected a cyclical reluctance to invest. Rieter received orders worth CHF 801.6 million in 2015 (CHF 1 146.1 million in 2014). Following a low point in the third quarter, demand in the machinery business recovered toward the end of the year. Rieter's order intake for the second half of the year was 6% higher than in the first six months (CHF 388.3 million in the first half of 2015, CHF 413.3 million in the second half of 2015).

At the end of 2015, Rieter's order backlog amounted to approximately CHF 470 million (approximately CHF 730 million on December 31, 2014).

Significant increase in sales at After Sales and Components business groups

In 2015 Rieter recorded annual sales of CHF 1 036.8 million while maintaining a stable market share. This is equivalent to a 10% decline in sales compared to the previous year (CHF 1 153.4 million in 2014). The trend in sales was favorable in the After Sales and Components Business Groups, while sales were down at the Machines & Systems Business Group due to cyclical factors.

Adjusted for currency effects and the sale of the Schaltag Group, Rieter's sales and order intake were 8% and 28% lower, respectively, than for the prior year.

In 2015 Rieter again achieved the best sales results in Asian countries (not including China, India and Turkey) with an increase of 19% compared to the prior year. In contrast, however, the propensity to invest declined in these countries in 2015.

The market situation in China has eased slightly as a result of a government investment program being implemented in the province of Xinjiang. Sales amounted to CHF 139.8 million, 20% down on the prior year, while order intake was up on 2014 and above the level of sales.

The Indian market was stable in 2015 and Rieter's sales were 9% (13% in local currency) higher at CHF 142.0 million. Order intake remained at the same level as in the prior year.

In Turkey, Rieter's sales for the reporting year amounted to CHF 143.7 million. Order intake was at a very low level, but the first signs of recovery were observed toward the end of the year.

Sales of CHF 200.6 million in North and South America in 2015 were at the same level as in the preceding year. Order intake was lower than in 2014 due to the more difficult economic situation in South America and the completion of the major investment projects in the USA.

Sales in Africa of CHF 26.7 million were below the previous year's level, while the reduced sales figure of CHF 60.2 million in Europe was mainly attributable to the sale of the Schaltag Group.

Rieter employed a workforce of 5 077 on December 31, 2015, compared to 5 004 a year earlier. There were also 650 temporary employees, making up 11.3% of the entire workforce (1 221 temporary employees, or 19.6% of entire workforce, on December 31, 2014). The rise in the number of permanent employees occurred mainly in the Czech Republic and China.

Operating result and net profit

Despite the drop in sales, Rieter achieved higher EBITDA and net profit margins in 2015. The improved profitability confirms the strategic alignment. The positioning of the after-sales business as an independent business group supported this positive development and also resulted in an increased contribution to Rieter's profits. Furthermore, the cost reduction measures which Rieter adopted and swiftly implemented in response to the discontinued minimum euro exchange rate in January 2015 made a positive impact. Rieter was thereby able to achieve a disproportionate reduction in the material costs by 15%, in personnel costs by 6% and other operating expenses by 5%, with a 10% drop in sales.

With CHF 115.9 million, EBITDA increased to 11.2% of sales in 2015 (CHF 125.4 million or 10.9% of sales in 2014). The gain from the sale of properties (CHF 5.0 million), gains from currency hedging (CHF 2.4 million) and the gain from the sale of the Schaltag Group (CHF 3.4 million) all had a positive effect on profitability. The operating result before interest and taxes (EBIT) amounted to CHF 73.1 million or 7.0% of sales (CHF 84.6 million or 7.3% of sales in 2014). Depreciation and amortization amounted to CHF 42.8 million (CHF 40.8 million in 2014). This figure includes the impairment loss related to machinery and plant equipment arising from the streamlining of production at the Winterthur site and amounting to CHF 2.7 million. Rieter's capital expenditure in the year under review totaled CHF 31.6 million or 3.0% of sales, down by 25.1% on the prior year (CHF 42.2 million or 3.7% of sales in 2014).

Contrary to the cost-reduction measures, Rieter maintained research and development spending (CHF 46.6 million) at the previous year's level and even increased this as a percentage of sales to 4.5% (4.0% in 2014).

Rieter posted a net profit of CHF 49.8 million or 4.8% of sales in the reporting year (CHF 52.9 million or 4.6% of sales in 2014). There was an improvement in the net financial result to CHF -7.9 million (CHF -13.7 million in 2014) and likewise in the tax rate to 23.6% (25.8% in 2014). Earnings per share amounted to CHF 10.92 (CHF 11.52 in 2014).

The return on net assets was 9.5% (10.5% in 2014), thus slightly exceeding the cost of capital.

Balance sheet strengthened

Despite the slight reduction in earnings, Rieter recorded free cash flow before divestments of CHF 65.0 million (CHF 49.1 million in 2014) as a result of a reduction in net working capital and lower capital investments (CHF 31.6 million) compared to the previous year.

After payment of a dividend of CHF 20.6 million (CHF 4.50 per share) out of the reserve from capital contributions and the repayment of a bond issue totaling CHF 151.9 million in April 2015, cash and cash equivalents, marketable securities and time deposits amounted to CHF 334.0 million and net liquidity to CHF 212.4 million on December 31, 2015 (CHF 171.7 million on December 31, 2014). Rieter had an equity ratio of 44.3% on balance sheet date (36.5% on December 31, 2014).

The company is soundly financed for the long term with committed credit lines and a fixed-rate bond.

Stable dividend

Rieter Holding Ltd. posted a net profit of CHF 25.0 million for the 2015 financial year (CHF 22.8 million in 2014). At the Annual General Meeting on April 6, 2016, the Board of Directors will propose that a dividend of CHF 4.50 per share be paid for the 2015 financial year, the same as for the prior year. This corresponds to a payout ratio of 41% of earnings per share (39% in 2014). Rieter's dividend policy is to pay out at least 40% of net profit.

Business groups

With regard to order intake, differing dynamics were evident at the three business groups in the reporting year. The trend in order intake at the Components Business Group was very satisfying: A figure of CHF 217.7 million (CHF 172.3 million in 2014) was reported for orders received (up by 26% on the previous year) thanks to strong demand, in particular in the second half of 2015. The After Sales Business Group posted order intake of CHF 126.3 million (CHF 140.5 million in 2014), the 10% decline compared to the prior year being mainly attributable to the lower volume of orders for installations in the new machinery business. Order intake at the Machines & Systems Business Group amounted to CHF 457.6 million (CHF 833.3 million in 2014), 45% lower than in the previous year.

At the Components Business Group, sales to third parties grew by 13% to CHF 194.7 million (CHF 172.4 million in 2014), while segment sales dropped by 1% to CHF 258.6 million (CHF 262.1 million in 2014) due to the trend of business at Machines & Systems. After Sales reported a 10% increase in sales to CHF 139.8 million (CHF 127.5 million in 2014). Sales at Machines & Systems dropped by 18% to CHF 702.3 million (CHF 853.5 million in 2014) due to cyclical factors. Overall, Machines & Systems accounted for 68% of Rieter's sales (74% in 2014), After Sales for 13% (11% in 2014) and Components for 19% (15% in 2014).

The profitability trend for the After Sales Business Group is positive: EBIT and the EBIT margin were both significantly higher than in 2014. With EBIT amounting to CHF 26.5 million, After Sales achieved an EBIT margin of 19.0% of sales (compared to EBIT of CHF 20.0 million and an EBIT margin of 15.7% in 2014). The Components Business Group also reported an increase in EBIT and the EBIT margin, to CHF 33.7 million and 13.0% of segment sales, respectively (CHF 32.5 million and 12.4% of segment sales in 2014). EBIT at Machines & Systems was lower owing to the considerably smaller volumes and amounted to CHF 14.8 million or 2.1% of sales (CHF 40.6 million or 4.8% in 2014).

Board of Directors and Annual General Meeting

Shareholders approved all motions proposed by the Board of Directors at the ordinary general meeting held on April 16, 2015. Shareholders voted for the first time on the framework for remuneration of the Board of Directors and the Group Executive Committee in the coming financial year, in line with the amendments to the Articles of Association that were approved in 2014. They approved the proposed maximum total amount of remuneration for 2016 and also approved the Remuneration Report for 2014 by means of a consultative vote. Erwin Stoller, Chairman of the Board of Directors, and Dr. Jakob Baer, Michael Pieper, This E. Schneider, Hans-Peter Schwald, Dr. Dieter Spälti and Peter Spuhler, as member of the Board of Directors, were each confirmed for a further one-year term of office. This E. Schneider, Hans-Peter Schwald and Erwin Stoller, the members of the remuneration committee who were standing for election, were also each reelected for a one-year term of office.

Following their many years of service as members of Rieter's Board of Directors, Dr. Jakob Baer and Dr. Dieter Spälti have decided not to stand for reelection in 2016. Dieter Spälti has been a member of the Board since 2001 and Jakob Baer since 2006. Both have supported Rieter's Board of Directors through a challenging period with their invaluable expertise and high level of commitment. The Board of Directors of Rieter would like to express its sincere thanks to Jakob Baer und Dieter Spälti for their long-standing, dedicated contributions to the strategic management and further development of the company.

The Board of Directors of Rieter Holding Ltd. proposes two new members for election at the Annual General Meeting on April 6, 2016: Roger Baillod and Bernhard Jucker. Both candidates have broad management and specialist experience from working in large international industrial companies.

Outlook

The year 2015 was characterized by a healthy demand for products and services provided by the business groups After Sales and Components. By contrast, spinning mill owners were reluctant to invest into new equipment.

In the first semester, sales will be impacted by the cyclically lower order backlog in the Machines & Systems business group. Rieter has initiated capacity adjustment measures to cope with the lower utilization at Machines & Systems. As a consequence, Rieter expects in the first semester a lower net profit compared to the previous year's period.

The improvement of market demand for spinning machines since late 2015 has continued in the first two months of 2016. Due to the more positive order intake momentum in the Machines & Systems business group in combination with a good development in the After Sales and Components business groups, Rieter expects a stronger second semester both in sales and profitability. For the full year 2016, Rieter currently envisages sales and net profit below 2015 levels.

Rieter will continue to focus on implementing its programs on innovation, growing the after sales business and profitability improvement in order to reach its mid-term targets.

Thanks

2015 was a challenging year for the employees and management of the Rieter Group; this was especially true at the Winterthur site, where the company introduced comprehensive structural measures due to changed markets and the "Frankenschock" (steep rise in the value of the Swiss franc). Emphasis was also placed on furthering the development of the other projects of the STEP UP program according to plan and preparing the innovations for presentation at the ITMA trade fair. The Board of Directors and the Group Executive Committee thank the workforce and employee representatives for their tireless efforts. Rieter thanks customers, suppliers and other business partners for their loyalty, and shareholders for their continued confidence.

Further information about the year-end results as well as the Annual Report 2015 and photos for the media can be found at www.rieter.com (<http://www.rieter.com/en/rieter/media/press-releases/>), (<http://www.rieter.com/en/rieter/investor-relations/presentations/2016/>), (<http://www.rieter.com/en/rieter/investor-relations/reports/annual-report/2015/>).

At www.rieter.com you can also subscribe to the mailing list for our press releases.

2015 Annual Results Media Conference

Today, March 15, 2016, 10.15 h

Location: Maschinenfabrik Rieter, Training Center, Klosterstrasse 32, 8406 Winterthur

2015 Annual Results Financial Analysts' Conference

Today, March 15, 2016, 14.00 h

Location: Maschinenfabrik Rieter, Training Center, Klosterstrasse 32, 8406 Winterthur

Conference Call, dial-in:

+41 (0)58 310 50 00 (Europe)

+44 (0)203 059 58 62 (UK)

+1 (1) 631 570 56 13 (USA-Toll-Free)

+91 446 688 6046 (India)

+86 400 120 2319 (China)

Important dates 2016

Annual General Meeting 2016

April 6, 2016

Semi-annual report 2016

July 21, 2016

About Rieter

Rieter is the world's leading supplier of systems for short-staple fibre spinning. Based in Winterthur (Switzerland), the company develops and manufactures machinery, systems and components used to convert natural and manmade fibres and their blends into yarns. Rieter is the only supplier worldwide to cover spinning preparation processes as well as all four final spinning processes currently established on the market. With 16 manufacturing locations in ten countries, the company employs a global workforce of some 5 077, about 21 % of whom are based in Switzerland. Rieter is listed on the SIX Swiss Exchange under ticker symbol RIEN. www.rieter.com

For further information please contact:

Rieter Holding AG

Investor Relations

Joris Gröflin

Chief Financial Officer

T +41 52 208 70 15

F +41 52 208 70 60

investor@rieter.com

www.rieter.com

Rieter Management AG

Media Relations

Cornelia Schreier

Head Corporate Communications

T +41 52 208 70 32

F +41 52 208 70 60

media@rieter.com

www.rieter.com

Financial highlights

CHF million	2015	2014	2015/2014 Change in %
Rieter			
Orders received	801.6	1 146.1	-30
Sales	1 036.8	1 153.4	-10
Operating result before interest and taxes (EBIT)	73.1	84.6	-14
• in % of sales	7.0	7.3	
Net profit	49.8	52.9	-6
• in % of sales	4.8	4.6	
Investments in tangible fixed assets and intangible assets	31.6	42.2	-25
Total assets	1 001.4	1 209.4	-17
Shareholders' equity before appropriation of profit	443.8	441.9	0
Number of employees at year-end (excl. temporaries)	5 077	5 004	1
Business Group Machines & Systems			
Orders received	457.6	833.3	-45
Sales	702.3	853.5	-18
Operating result before interest and taxes (EBIT)	14.8	40.6	-64
• in % of sales	2.1	4.8	
Business Group After Sales			
Orders received	126.3	140.5	-10
Sales	139.8	127.5	10
Operating result before interest and taxes (EBIT)	26.5	20.0	33
• in % of sales	19.0	15.7	
Business Group Components			
Orders received	217.7	172.3	26
Sales	194.7	172.4	13
Total segment sales	258.6	262.1	-1
Operating result before interest and taxes (EBIT)	33.7	32.5	4
• in % of total segment sales	13.0	12.4	

CHF million		2015	2014	2015/2014 Change in %
Rieter Holding Ltd.				
Share capital		23.4	23.4	
Net profit		25.0	22.8	10
Dividend		21.0 ¹	20.6	2
Number of registered shares, paid-in		4 672 363	4 672 363	
Average number of registered shares outstanding		4 550 650	4 583 909	
Share price (high/low)	CHF	190/117	230/159	
Market capitalization on December 31		848.1	757.2	12
Data per registered share				
Earnings per share	CHF	10.92	11.52	-5
Equity (group) ²	CHF	98.18	96.41	2
Dividend (Rieter Holding Ltd.)	CHF	4.50 ¹	4.50	0

1. According to proposal of the Board of Directors.

2. Shareholders' equity attributable to shareholders of Rieter Holding Ltd. per share outstanding at December 31.

All statements in this report which do not refer to historical facts are forecasts for the future which offer no guarantee whatsoever with respect to future performance; they embody risks and uncertainties which include – but are not confined to – future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors which are outside the company's control.

This is a translation of the original German text.