

Media release

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2015 financial year: Significant increase in sales at After Sales and Components business groups – positive trend in order intake in second half of year

Rieter's sales in 2015 amounted to CHF 1 036.8 million (CHF 1 153.4 million in 2014); in comparison to 2014, a significant increase in sales was recorded at the Components and After Sales business groups, while sales were down at the Machines & Systems business group. 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. At the end of 2015, Rieter's order backlog amounted to approximately CHF 470 million. Rieter is expecting EBIT of 7.0% and a net profit of 4.8% of sales for the year as a whole. The full annual financial statements and the 2015 Annual Report will be published by Rieter on March 15, 2016.

Orders received and sales

Since January 2015 Rieter with its three business groups – Machines & Systems, After Sales and Components – has intensified its focus on customers and their differing needs throughout the lifecycle of the spinning machines. This generates greater customer satisfaction and stronger customer loyalty. In this way, Rieter extends its business with lower exposure to the cycle. This new approach met with a very positive response from customers at the four-yearly ITMA global textile machinery trade show in Milan.

The overall trend in demand in 2015 was characterized by positive developments in the After Sales and Components business groups and a cyclical reluctance to invest in the Machines & Systems business. Following a low point in the third quarter, demand in the machinery business recovered toward the end of the year. Rieter's order intake was 6% higher in the second half of the year compared to the first half (CHF 388.3 million in the first half of 2015, CHF 413.3 million in the second half of 2015).

Order intake amounted to CHF 801.6 million in the past financial year (CHF 1 146.1 million in 2014). Order intake at the Components business group increased to CHF 217.7 million, CHF 45.4 million (+26%) higher than in the previous year, thanks to strong demand in the second half of 2015 in particular. The After Sales business group posted order intake of CHF 126.3 million, the decline of CHF 14.2 million (-10%) 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 for 2015 as a whole amounted to CHF 457.6 million, 45% lower than in the previous year.

Rieter's annual sales for 2015 totaled CHF 1 036.8 million (CHF 1 153.4 million in 2014). In comparison to 2014, sales increased by CHF 22.3 million (+13%) and CHF 12.3 million (+10%) at the Components and After Sales business groups, respectively, while a decline of CHF 151.2 million (-18%) was recorded at the Machines & Systems business group.

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

CHF million (non-audited)	2015	2014	Change	Change in local currency	Change without divestments
Order intake	801.6	1 146.1	-30%	-29%	-28%
• Machines & Systems	457.6	833.3	-45%	-45%	-46%
• After Sales	126.3	140.5	-10%	-8%	-8%
• Components	217.7	172.3	26%	36%	36%
Sales	1 036.8	1 153.4	-10%	-9%	-8%
• Machines & Systems	702.3	853.5	-18%	-18%	-17%
• After Sales	139.8	127.5	10%	12%	12%
• Components	194.7	172.4	13%	21%	21%

In 2015 Rieter again achieved the best sales results in Asian countries (without China, India and Turkey), with an increase of 19 percent 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.

CHF million (non-audited)	2015	2014	Change	Change in local currency	Change without divestments
Sales	1 036.8	1 153.4	-10%	-9%	-8%
• Europe	60.2	81.9	-26%	-23%	-14%
• Asian countries ¹⁾	323.8	272.7	19%	21%	21%
• China	139.8	173.7	-20%	-19%	-19%
• India	142.0	130.9	9%	13%	13%
• Turkey	143.7	264.4	-46%	-45%	-45%
• America	200.6	199.5	1%	-2%	-2%
• Africa	26.7	30.3	-12%	-11%	-11%

1) without China, India, Turkey

Profit outlook for 2015

Rieter is expecting an EBIT margin of 7.0% and a net profit of 4.8% of sales for the 2015 financial year.

Annual General Meeting of April 6, 2016

The 2016 Annual General Meeting of Rieter Holding Ltd. will take place on April 6 at the Eulachhalle arena in Winterthur, Switzerland. Any proposals regarding the agenda are to be submitted in writing to Rieter Holding Ltd., Office of the Company Secretary, Klosterstrasse 32, CH-8406 Winterthur, Switzerland, by February 22, 2016 at the latest, accompanied by information concerning the relevant motions and evidence of the necessary shareholdings (with a par value of CHF 0.5 million as stipulated by Article 699 of the Swiss Code of Obligations and §9 of the Articles of Association).

The media release can be found at www.rieter.com/en/rieter/media/press-releases/. You can also register for our media release e-mail service at www.rieter.com. A presentation regarding orders received and sales in 2015 can be found at <http://www.rieter.com/en/rieter/investor-relations/presentations/2016/>.

Forthcoming dates

- Results conference and presentation for analysts: March 15, 2016
- Annual General Meeting: April 6, 2016
- Semi-annual report: July 21, 2016

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About Rieter

Rieter is the world's leading supplier of systems for short-staple fiber spinning. Based in Winterthur (Switzerland), the company develops and manufactures machinery, systems and components used to convert natural and manmade fibers 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

All statements in this report which do not refer to historical facts are forecasts 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. The 2015 figures have not yet been audited.