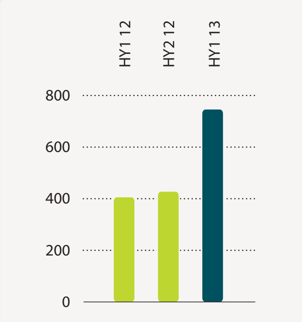
Semi-Annual Report 2013

Rieter at a glance

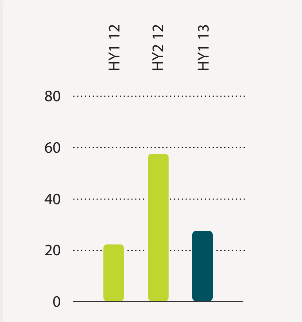
Orders received
in CHF million



Sales
in CHF million

EBIT
in CHF million

Capital expenditures
in CHF million



CHF million		January – June 2013	July – December 2012[1]	January – June 2012[1]	Change[2]	Change in local currencies[2]
Rieter						
Orders received		711.4	435.6	404.1	76%	75%
Sales		478.1	401.2	487.3	– 2%	– 2%
Operating result before strategic projects, interest and taxes		27.5	14.0	44.0		
• in % of sales		5.8%	3.5%	9.0%		
Operating result before interest and taxes (EBIT)		17.1	1.2	31.5		
• in % of sales		3.6%	0.3%	6.5%		
Net profit[3]		5.0	4.2	21.5		
• in % of sales		1.0%	1.0%	4.4%		
Earnings per share	CHF	1.51	1.15	5.09		
Capital expenditures on tangible and intangible assets		26.5	57.3	24.3	9%	
Number of employees at the end of the period (excluding temporary personnel)		4 646	4 720	4 679	– 1%	
Business Group Spun Yarn Systems						
Orders received		621.9	365.0	330.0	88%	88%
Sales		392.5	327.0	400.6	– 2%	– 2%
Operating result before interest and taxes (EBIT)		13.3	2.6	27.9		
• in % of sales		3.4%	0.8%	7.0%		
Business Group Premium Textile Components						
Orders received		89.5	70.6	74.1	21%	20%
Sales		85.6	74.2	86.7	– 1%	– 2%
Total segment sales		125.7	114.9	117.4		
Operating result before interest and taxes (EBIT)		9.6	6.7	9.3		
• in % of segment sales		7.6%	5.8%	7.9%		

1. Restated (see paragraph "Changes in accounting policies" on page 8).
2. Change January - June 2013 vs. January - June 2012.
3. Incl. gain on sale of investments of 0.3 million CHF (July - December 2012: 13.2 million CHF; January - June 2012: 4.4 million CHF).

Rieter exploits market recovery thanks to strong positioning

Market recovery continues from the second half of 2012, above all in Turkey – substantial rise in order intake thanks to strong positioning and attractive product offering – significantly higher sales than in 2nd half of 2012 – EBIT and operating margin as expected – further progress with investment program 2012/2013

In steadily improving market conditions Rieter achieved an order intake in the first half of 2013 of 711.4 million CHF (1st half of 2012: 404.1 million CHF). Particularly in Turkey, demand was much greater than in the prior year. Sales of 478.1 million CHF were significantly higher (+19%) than in the previous six months but slightly lower (-2%) than in the first half of 2012. Operating result before interest and taxes (EBIT) and operating margin developed according to expectations during the period under review. EBIT amounted to 17.1 million CHF, equivalent to 3.6% of sales (1st half of 2012: 31.5 million CHF or 6.5% of sales). The lower EBIT than in prior year is largely attributable to smaller profit margins on orders closed the year before. There were no non-recurring divestment gains as in the prior year period. Rieter closed the first half of 2013 with a net profit of 5.0 million CHF or 1.0% of sales (1st half of 2012: 21.5 million CHF or 4.4% of sales). In the period under review Rieter completed major steps in the growth investment program 2012/2013 announced in spring 2012.

Dear shareholder

Recovery of the global market for short-staple fiber machinery and components in the second half of 2012 has continued in 2013. This positive trend applied to all the geographical markets of relevance for Rieter, to different degrees but particularly in Turkey, supported by a government subsidy program that benefited spinning mills. High demand was also recorded in various Asian countries. Business in India and China showed a slight upturn in the first half of 2013, but the financing situation for Rieter customers in these countries remains challenging. Spinning mill capacities in the USA were renewed thanks to a favorable cost structure in this sector.

Rieter was able to make the most of this overall improvement in market conditions thanks to an attractive product offering and strong market positioning worldwide. Order intake during the period under review totaled 711.4 million CHF, 76% and 63% higher than in the first and second half of 2012 respectively. This was mostly attributable to orders received by Rieter in Turkey. Rieter was able to increase order intake in China with market-specific products, while in India there was above all a good demand for components. Overall order backlog per June 30, 2013 totaled around 780 million CHF.

The gratifying demand for Rieter products confirms the soundness of its innovation and expansion strategy. Thanks to its market-specific product program, Rieter holds a strong position worldwide in the cyclical market for textile machinery and components. Spinning mill customers in all main markets increasingly prefer highly automated machinery and components that enable greater productivity and better yarn quality with lower energy consumption.

Rieter sales for the first half of 2013 totaled 478.1 million CHF, 2% less than in the prior year period (487.3 million CHF) but 19% higher than in the second half of 2012. Sales were attributable to various countries, with business activities broadly based regionally.

Operating result before interest and taxes (EBIT) totaled 17.1 million CHF, equivalent to 3.6% of sales. This decline of EBIT and operating margin compared with the prior year period (1st half of 2012: 31.5 million CHF or 6.5% of sales) was expected, primarily because of lower margins on orders closed in 2012, the slightly lower volumes and also non-recurrence of the 6.0 million CHF gains in the first half of 2012 from disposal of production plants in the Czech Republic. Furthermore, EBIT for the period under review is reduced by 10.4 million CHF outlay for the 2012/2013 investment program. Operating result before strategic projects totaled 27.5 million CHF, equivalent to 5.8% of sales.

Rieter's capital expenditures in the first half of 2013 amounted to 26.5 million CHF, occurring mainly in China and India, of which 21.2 million CHF for strategic projects. Rieter increased expenditure on research and development in the period under review to 22.1 million CHF, equivalent to 4.6% of sales (1st half of 2012: 20.9. million CHF or 4.3% of sales).

Net profit for the first half of 2013 totaled 5.0 million CHF, equivalent to 1.0% of sales (1st half of 2012: 21.5 million CHF or 4.4% of sales).

The Rieter global workforce per June 30, 2013 totaled 4 646 employees (December 31, 2012: 4 720 employees). Rieter mastered workloads due to substantially higher sales compared with the second half of 2012 by more efficient utilization of capacities and with higher productivity.

Ongoing high investments and demand-driven increase in net working capital resulted in a free cash flow of -12.1 million CHF. After a dividend payment of 11.6 million CHF (2.50 CHF per share) out of the reserves from capital contributions in April 2013, cash and cash equivalents per June 30, 2013 totaled 315.4 million CHF and net liquidity 63.2 million CHF. Rieter is on a sound financial footing with an equity ratio of 34%.

Spun Yarn Systems Business Group

The Spun Yarn Systems Business Group (machinery business) recorded a marked increase of order intake in the first half of 2013 to 621.9 million CHF, 88% higher than the prior year period and 70% more than in the second half of 2012. Spun Yarn Systems sales totaled 392.5 million CHF, 2% less than in the first half of 2012. Operating result before interest and taxes (EBIT) totaled 13.3 million CHF, equivalent to an operating margin of 3.4% of sales (1st half of 2012: 27.9 million CHF or 7.0% of sales, including gain on manufacturing capacity disposal in the Czech Republic). The lower profitability is attributable to smaller volumes and to a product mix with less profitable margins on machine sales. Furthermore, strategic project costs were largely charged to Spun Yarn Systems. Business Group EBIT excluding strategic project costs totaled 23.1 million CHF, resulting in 5.9% operating margin.

The “Watt d’Or” Energy Prize award at the beginning of 2013 by the Swiss Federal Office for Energy in the Export category gratifyingly confirms Rieter’s strong innovative drive.

Premium Textile Components Business Group

Order intake by the Premium Textile Components Business Group in the first half of 2013 rose 21% to 89.5 million CHF (1st half of 2012: 74.1 million CHF). This growth is attributable to both customer segments of this business group: spinning mills and machine manufacturers. Market demand in China recovered above all from machine manufacturers, while in India the main demand was from spinning mills. Business in Turkey continued to develop positively. Third-party sales by Premium Textile Components totaled 85.6 million CHF in the period under review, and segment sales (i.e. including deliveries to Spun Yarn Systems) totaled 125.7 million CHF. There was a slight decline of 1% in third-party sales compared with the prior year period (1st half of 2012: 86.7 million CHF), but already a 15% increase over the second half of 2012 (74.2 million CHF). Premium Textile Components profited from the high flexibility of its business units. Operating result before interest and taxes (EBIT) totaled 9.6 million CHF or 7.6% of segment sales (1st half of 2012: 9.3 million CHF or 7.9% of segment sales). Profitability declined mainly because of the lower volumes and due to costs for strategic projects.

Progress with the 2012/2013 investment program

Most of the investment program projects for 2012/2013 (see box on page 5) are on track as per June 30, 2013. Rieter made the following progress during the first half of 2013:

Expansion in Asia: Capacity expansions in the two key markets of China and India will be concluded by the end of 2013. Intermediate targets for the extensive expansion of production capacities at Rieter’s Changzhou plant in China had been reached as per June 30, 2013. The new plant in Koregaon Bhima, India, is now finished and operational.

Innovation: Rieter worked intensively on innovations during the period under review, with the goals of further improving yarn properties and enabling spinning mill customers to increase their productivity and energy efficiency. With the airjet spinning machine, the focus is on further market introduction.

Process improvements: The projects for global standardization of work processes made good progress particularly with regards to manufacturing, but the global standardization and IT support of business processes has been delayed by about six months.

Focus on sustainable profitability improvement
Rieter continues to focus on lowering the break-even threshold, and in this connection is continuing with the workforce adjustments announced in spring 2013. At the same time, Rieter also seeks to improve profit margins by reducing production costs, through optimal allocation of capacities and price discipline.

Outlook
Rieter's business activities are broadly based globally. At the present time it is still difficult to forecast the development of demand for textile machinery and components in 2013. Demand depends among other factors on yarn and raw material price developments, currency exchange rates, financing costs, and consumer sentiment worldwide.

Based on the current order backlog – already reaching into 2014 – full year sales for 2013 are expected to show high single digit growth compared to 2012. Against 2012 levels before disposal gains, operating result (EBIT) is expected to profit from volume growth. This includes strategic project costs of about 20 to 25 million CHF for the 2012/2013 investment program.

Winterthur, July 25, 2013

Erwin Stoller
Chairman
of the Board of Directors

This E. Schneider
Vice-Chairman
of the Board of Directors

Investment program 2012/2013 for further growth

Rieter expects global demand for short staple fibers (natural fibers / staple man-made fibers) to grow by an average of 2.3% annually until 2030. The additional spinning capacity this will require, the replacement demand and the trend toward greater automation, especially in the Chinese and Indian markets, will have a positive impact on demand for high-quality spinning machinery and components.

Against this background Rieter is aiming for overall annual average growth of 5%, half of which should be organic. Rieter's strategic targets are to retain its leadership in the premium segment and also to expand its position in the local markets in China and India.

In the implementation of these goals, Rieter is focusing on
Expansion in Asia: Further expansion of capacity in China and India;
Innovation: Increased focus on air-jet spinning, improvement of yarn quality, productivity and energy efficiency of machinery and components;
Process improvements: Operational excellence, global standardization and IT support of business processes.

In order to achieve rapid expansion in Asia, to drive product innovation, and to optimize global processes, Rieter is planning investments totaling some 140 million CHF in 2012 and 2013.

As of mid 2013, 72.8 million CHF have been invested in total. Another 35.7 million CHF were charged to EBIT as strategic project costs. These investments are in addition to regular maintenance expenditures. Rieter is seeking with the investment program to achieve an EBIT margin of at least 9% average over the demand cycle, and greater than 12% in peak years.

Consolidated income statement

	Notes	January – June 2013 CHF million	January – June 2013 % *	January – June 2012[1] CHF million	January – June 2012[1] % *	January – December 2012[1] CHF million	January – December 2012[1] % *
Sales	(6)	**478.1**	**100.0**	**487.3**	**100.0**	**888.5**	**100.0**
Change in semi-finished and finished goods		6.4	1.3	– 21.4	– 4.4	0.3	0.0
Own work capitalized		0.2	0.0	1.6	0.3	4.8	0.5
Material costs		– 237.3	– 49.6	– 210.3	– 43.2	– 412.1	– 46.4
Employee costs		– 150.3	– 31.4	– 146.4	– 30.0	– 279.8	– 31.5
Other operating expenses		– 78.6	– 16.4	– 81.9 [2]	– 16.8	– 167.6	– 18.9
Other operating income		15.8	3.3	18.7	3.8	31.8	3.6
Depreciation and amortization		– 17.2	– 3.6	– 16.1	– 3.3	– 33.2	– 3.7
Operating result before interest and taxes (EBIT)		**17.1**	**3.6**	**31.5**	**6.5**	**32.7**	**3.7**
Gain on sale of investments	(7)	0.3		4.4		17.6	
Financial result		– 7.4		– 7.9		– 16.1	
Profit before taxes		**10.0**	**2.1**	**28.0**	**5.7**	**34.2**	**3.8**
Income taxes		– 5.0		– 6.5		– 8.5	
Net profit		**5.0**	**1.0**	**21.5**	**4.4**	**25.7**	**2.9**
Attributable to shareholders of Rieter Holding Ltd.		7.0		23.5		28.7	
Attributable to non-controlling interests		– 2.0		– 2.0		– 3.0	
Earnings per share	CHF	**1.51**		**5.09**		**6.24**	
Diluted earnings per share	CHF	**1.51**		**5.09**		**6.23**	

* In % of sales.
1. Restated (see paragraph "Changes in accounting policies" on page 8).
2. "Sales deductions" of 26.1 million CHF presented separately in the Semi-Annual Report 2012 are included in this report in "Other operating expenses" (see Annual Report 2012, page 40, "Revision and correction of presentation").

Consolidated statement of comprehensive income

CHF million	January – June 2013	January – June 2012[1]	January – December 2012[1]
Net profit	**5.0**	**21.5**	**25.7**
Remeasurement defined benefit plans[2]	2.1	– 0.7	2.9
Income taxes on remeasurement	– 0.4	0.2	– 1.0
Items that will not be reclassified to income statement, net of taxes	**1.7**	**– 0.5**	**1.9**
Currency translation differences	2.3	– 2.8	– 6.1
Financial instruments available for sale:			
Change in fair value	0.4	1.3	4.7
Income taxes on change in fair value	0.0	– 0.3	3.2
Realized results through income statement	– 0.1	0.0	– 11.7
Items that may be reclassified to income statement, net of taxes	**2.6**	**– 1.8**	**– 9.9**
Total other comprehensive income	**4.3**	**– 2.3**	**– 8.0**
Total comprehensive income	**9.3**	**19.2**	**17.7**
Attributable to shareholders of Rieter Holding Ltd.	11.4	21.4	21.1
Attributable to non-controlling interests	– 2.1	– 2.2	– 3.4

1. Restated (see paragraph "Changes in accounting policies" on page 8).
2. Actuarial gains and losses as well as impact IFRIC 14.

Consolidated balance sheet

CHF million	June 30, 2013	June 30, 2012[1]	December 31, 2012[1]
Assets			
Tangible fixed assets	264.2	228.5	258.3
Intangible assets	24.5	13.7	20.1
Other non-current assets, deferred tax assets	74.8	83.3	77.9
Non-current assets	**363.5**	**325.5**	**356.3**
Inventories	248.4	208.7	229.3
Trade receivables	111.5	121.9	91.1
Other receivables	46.3	43.3	41.5
Marketable securities and time deposits	7.6	7.6	9.3
Cash and cash equivalents	315.4	354.7	342.6
Current assets	**729.2**	**736.2**	**713.8**
Assets	**1 092.7**	**1 061.7**	**1 070.1**
Shareholders' equity and liabilities			
Equity attributable to shareholders of Rieter Holding Ltd.	364.2	365.2	371.4
Equity attributable to non-controlling interests	3.0	6.2	5.0
Total shareholders' equity	**367.2**	**371.4**	**376.4**
Long-term financial debt	238.0	248.2	249.6
Provisions, other non-current liabilities	134.4	146.7	137.5
Non-current liabilities	**372.4**	**394.9**	**387.1**
Trade payables	85.7	72.4	97.3
Advance payments from customers	115.4	74.8	79.8
Short-term financial debt	21.8	6.7	6.7
Provisions, other current liabilities	130.2	141.5	122.8
Current liabilities	**353.1**	**295.4**	**306.6**
Liabilities	**725.5**	**690.3**	**693.7**
Shareholders' equity and liabilities	**1 092.7**	**1 061.7**	**1 070.1**

1. Restated (see paragraph "Changes in accounting policies" on page 8).

Changes in consolidated equity

CHF million	Notes	January – June 2013	January – June 2012[1]	January – December 2012[1]
Total shareholders' equity at end of previous period		**376.4**	**387.7**	**387.7**
Impact of changes in accounting policies	(2)	0.0	– 1.5	– 1.5
Total shareholders' equity at end of previous period restated		**376.4**	**386.2**	**386.2**
Total comprehensive income		9.3	19.2	17.7
Distribution of dividend out of reserve from capital contributions		– 11.6	– 27.7	– 27.7
Change in holding of own shares (incl. share-based compensation)		– 6.9	– 6.3	0.2
Total shareholders' equity at end of reporting period		**367.2**	**371.4**	**376.4**

1. Restated (see paragraph "Changes in accounting policies" on page 8).

Consolidated statement of cash flows

CHF million	January – June 2013	January – June 2012[1]	January – December 2012[1]
Net profit	**5.0**	**21.5**	**25.7**
Interest income / interest expenses	6.8	6.6	13.6
Income taxes	5.0	6.5	8.5
Depreciation and amortization	17.2	16.1	33.2
Other non-cash income and expenses	– 3.6	– 13.3	– 39.2
Change in net working capital, other	– 5.9	– 33.8	– 4.9
Dividends received	0.0	0.0	0.4
Interest received / interest paid	– 10.0	– 10.1	– 10.3
Taxes paid	– 7.9	– 10.4	– 17.7
Net cash from operating activities	**6.6**	**– 16.9**	**9.3**
Capital expenditures / disposals tangible and intangible assets	– 21.9	– 20.3	– 75.9
Proceeds from sale of investments (after local taxes)	1.3	4.6	17.8
Investments / disposals other non-current assets	0.0	0.3	1.1
Sale / purchase of marketable securities and time deposits	1.9	– 0.4	– 1.8
Divestments of businesses	0.0	17.2	17.2
Net cash from investing activities	**– 18.7**	**1.4**	**– 41.6**
Dividend paid to shareholders of Rieter Holding Ltd.	– 11.6	– 27.7	– 27.7
Purchase / sale of own shares	– 6.9	– 6.3	0.3
Proceeds / repayments from / of short-term financial debt	15.9	3.3	3.2
Repayments of long-term financial debt	– 14.3	– 7.3	– 7.6
Net cash from financing activities	**– 16.9**	**– 38.0**	**– 31.8**
Currency translation differences	1.8	– 0.1	– 1.6
Change in cash and cash equivalents	**– 27.2**	**– 53.6**	**– 65.7**
Cash and cash equivalents at beginning of year	**342.6**	**408.3**	**408.3**
Cash and cash equivalents at end of reporting period	**315.4**	**354.7**	**342.6**

1. Restated (see paragraph "Changes in accounting policies" below).

Notes to the semi-annual financial statements

1 Principles of consolidation and accounting policies

The consolidated semi-annual financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. They are based on the financial statements of the individual group companies drawn up according to uniform accounting principles as of June 30, 2013. The principles of consolidation and accounting principles set forth in the 2012 annual report have been amended in 2013 by the new and revised IFRS Standards and interpretations. Except for the changes in accounting policies set out below, the adoption of new or amended regulations had no material impact on the consolidated financial statements. The semi-annual report has not been audited by the statutory auditor. The consolidated income statement, statement of comprehensive income, balance sheet, changes in consolidated equity and statement of cash flows are presented in condensed form.

2 Changes in accounting policies

The amendments of the revised version of IAS 1, adopted for the first time as of January 1, 2013, address primarily the presentation of other comprehensive income. These items are newly split into two separate categories, depending on whether they are reclassified to income statement in future periods or not.

Since January 1, 2013 Rieter has applied the revised version of IAS 19 “Employee Benefits”. Actuarial gains and losses from defined benefit plans have now to be recognized immediately in other comprehensive income as the option to defer such gains and losses, known as the corridor method, has been eliminated. The former method of including the expected income from plan assets at an estimated asset return has been replaced by using the discount rate that is used to discount the defined benefit obligation. The changes were adopted retrospectively as of January 1, 2012 and resulted, as announced already in the 2012 financial report, in a decrease in consolidated equity of 1.5 million CHF. Thereby the immediate recognition of the actuarial gains and losses reduced equity by 6.8 million CHF, whereas the impact of the “risk sharing” in the Swiss benefit plans increased equity by 4.9 million CHF. The deferred tax effect increased equity by 0.4 million CHF. The effects of the changes on consolidated income statement, consolidated statement of comprehensive income, earnings per share in the first half and total year 2012 and consolidated balance sheet as of June 30 and December 31, 2012, were as follows:

CHF million		January – June 2012 reported	Adjustment	January – June 2012 restated	January – December 2012 reported	Adjustment	January – December 2012 restated
Employee costs		– 145.9	– 0.5	– 146.4	– 278.9	– 0.9	– 279.8
Income taxes		– 6.6	0.1	– 6.5	– 8.6	0.1	– 8.5
Net profit		**21.9**	**– 0.4**	**21.5**	**26.5**	**– 0.8**	**25.7**
Other comprehensive income:							
Remeasurement defined benefit plans		0.0	– 0.7	– 0.7	0.0	2.9	2.9
Income taxes on remeasurement		0.0	0.2	0.2	0.0	– 1.0	– 1.0
Total comprehensive income		**20.1**	**– 0.9**	**19.2**	**16.6**	**1.1**	**17.7**
Earnings per share	CHF	**5.17**	**– 0.08**	**5.09**	**6.40**	**– 0.16**	**6.24**
Diluted earnings per share	CHF	**5.17**	**– 0.08**	**5.09**	**6.39**	**– 0.16**	**6.23**

CHF million	June 30, 2012 reported	Adjustment	June 30, 2012 restated	December 31, 2012 reported	Adjustment	December 31, 2012 restated
Non-current provisions	102.7	3.1	105.8	104.7	– 0.1	104.6
Deferred tax liabilities	41.5	– 0.7	40.8	32.3	0.5	32.8
Total shareholders’ equity	**373.8**	**– 2.4**	**371.4**	**376.8**	**– 0.4**	**376.4**

3 Financial instruments measured at fair value according to the categories of IFRS 7

There were no transfers between the categories and the valuation techniques have been applied consistently.

CHF million	June 30, 2013	December 31, 2012
Assets level 1: Securities available for sale	5.3	7.2
Assets level 2: Non-current financial assets	2.5	3.4
Assets level 2: Positive replacement values of derivative financial instruments	0.1	0.0
Liabilities level 2: Negative replacement values of derivative financial instruments	0.2	0.1
Liabilities level 3: Put option non-controlling interests	33.7	32.2

The put option on a non-controlling interest in a subsidiary measured at level 3 is based on the expected future earnings development of the concerned subsidiary up to the earliest possible execution date. In 2009, the value of the put option was discounted at 9.4% and initially recognized as a financial debt of 22.9 million CHF. In the first half of 2013, the financial debt was increased by 1.5 million CHF by debiting interest expenses. If the value of the put option had been discounted at 8.4%, the recognized financial debt would have been 0.2 million CHF higher. Long-term financial debt includes a fixed-rate bond with a carrying value of 203.4 million CHF (216.6 million CHF on December 31, 2012) and a fair value of 215.6 million CHF (229.9 million CHF on December 31, 2012). The carrying values of the other financial instruments correspond, approximately, to the fair values.

4 Segment information

The Company is comprised of two Business Groups: Spun Yarn Systems develops and manufactures machinery and systems for processing natural and man-made fibers and their blends into yarns. Premium Textile Components supplies technology components to spinning mills and also to machinery manufacturers.

CHF million	Spun Yarn Systems	Premium Textile Components	Total reportable segments
January – June 2013			
Total segment sales	392.5	125.7	518.2
Inter-segment sales	0.0	40.1	40.1
Sales to third parties	392.5	85.6	478.1
Operating result before interest and taxes (EBIT)	13.3	9.6	22.9
Net operating assets June 30, 2013	193.2	114.7	307.9
Capital expenditures on tangible and intangible assets	22.6	3.9	26.5
Depreciation and amortization	10.4	6.8	17.2
Number of employees June 30, 2013	3 461	1 158	4 619
January – June 2012			
Total segment sales	400.6	117.4	518.0
Inter-segment sales	0.0	30.7	30.7
Sales to third parties	400.6	86.7	487.3
Operating result before interest and taxes (EBIT)	27.9	9.3	37.2
Net operating assets June 30, 2012	154.5	110.6	265.1
Capital expenditures on tangible and intangible assets	18.9	5.3	24.2
Depreciation and amortization	8.6	7.4	16.0
Number of employees June 30, 2012	3 485	1 165	4 650
January – December 2012			
Total segment sales	727.6	232.3	959.9
Inter-segment sales	0.0	71.4	71.4
Sales to third parties	727.6	160.9	888.5
Operating result before interest and taxes (EBIT)	30.5	16.0	46.5
Net operating assets December 31, 2012	170.4	114.3	284.7
Capital expenditures on tangible and intangible assets	62.7	18.7	81.4
Depreciation and amortization	18.1	15.0	33.1
Number of employees December 31, 2012	3 542	1 150	4 692

Reconciliation of segment results

CHF million	January – June 2013	January – June 2012	January – December 2012
Operating result before interest and taxes (EBIT) of reportable segments	22.9	37.2	46.5
Elimination of unrealized inter-segment profits	– 0.5	0.3	– 0.8
Pension costs which can not be allocated to segments (IAS 19)	– 0.5	– 0.5	– 0.9
Other units (Rieter Holding Ltd., central units)	– 4.8	– 5.5	– 12.1
Operating result before interest and taxes (EBIT) Group	**17.1**	**31.5**	**32.7**
Gain on sale of investments	0.3	4.4	17.6
Financial result	– 7.4	– 7.9	– 16.1
Profit before taxes	**10.0**	**28.0**	**34.2**

5 Change in sales

CHF million	January – June 2013	January – June 2012	January – December 2012
Change in sales due to volume and price, Spun Yarn Systems	– 9.2	– 20.6	– 131.1
Change in sales due to volume and price, Premium Textile Components	– 1.6	– 23.4	– 36.2
Impact of divestments	0.0	– 4.8	– 9.4
Currency translation differences	1.6	– 1.7	4.4
Total change in sales	**– 9.2**	**– 50.5**	**– 172.3**

6 Sales by location of customers

CHF million	January – June 2013	January – June 2012	January – December 2012
Europe	37.5	48.2	88.5
Americas	51.5	54.6	90.8
Africa	31.2	15.4	28.9
China	115.6	88.4	192.5
India	53.7	51.4	95.8
Turkey	62.8	90.8	168.4
Other Asian countries	125.8	138.5	223.6
Total	**478.1**	**487.3**	**888.5**

7 Gain on sale of investments

In May 2013, Rieter sold its shareholding in Lakshmi Card Clothing Ltd. and realized a gain of 0.3 million CHF. In January 2012, Rieter sold its shareholding in Lakshmi Ring Travellers (Coimbatore) Ltd. and realized a gain of 4.4 million CHF and in October 2012 the sale of the remaining shares in Lakshmi Machine Works Ltd. resulted in a gain of 13.2 million CHF.

8 Divestments

On January 1, 2012, Rieter sold two manufacturing facilities in the Czech Republic that were part of the segment Spun Yarn Systems and operate as suppliers to Rieter and other industrial companies. The resulting divestment gain of 6.0 million CHF was recognized in the first half of 2012 in other operating income.

9 Average exchange rates for foreign currency translation

	January – June 2013	January – June 2012	Change	January – December 2012
1 EUR	1.23	1.20	2%	1.21
1 USD	0.94	0.93	1%	0.94
100 CZK	4.79	4.79	0%	4.80
100 INR	1.70	1.78	– 4%	1.76
100 CNY	15.13	14.70	3%	14.86

10 Events after balance sheet date; financial calendar

The semi-annual report for 2013 was approved for publication by the Board of Directors on July 24, 2013.
No events have occurred up to July 25, 2013, which would necessitate adjustments to the semi-annual report.

Publication of sales figures for the 2013 financial year	February 4, 2014
Results press conference and presentation of the 2013 financial statements	March 18, 2014
Annual General Meeting	April 9, 2014

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