RIETER INDIA PRIVATE LIMITED

Rieter, with a presence in more than 70 locations worldwide, plays a leading role both in textile machinery manufacturing and as a supplier to the international automotive industry.

Global Overview of Rieter

Rieter, established in Winterthur, Switzerland, in 1795, by its founder Johann Jacob Rieter, started as a foreign spices and cotton trading concern. For the next several years it invested in spinning mills. In the years between 1835 and the first quarter of the 20th century, it diversified into businesses like production of transmissions, turbines, machine tools, generators, motors, railways, trams and rifles, bridge construction and textile operations (manufacture of looms, embroidery machines, and doubling and winding machines).

By 1915 Rieter had decided to concentrate on the production of spinning machinery, and by 1931 the company began delivering machinery for the production of man-made fibres. It opened its first American subsidiary in 1951. After about a decade, the company opened a plant in Coimbatore, India. Since 1982, the company has made a string of acquisitions as part of its growth strategy.

- In 1984, it picked up Unikeller AG, a Swiss maker of automotive noise control products and thermal insulation;
- In 1987, Rieter bought rotor spinning machine maker Schubert & Salzer GmbH (Germany);
- In 1992, it picked up another German company, synthetic fibre and pelletising machinery maker Automatik Apparate Maschinenbau GmbH;
- In 1994, it added Firth Furnishings (maker of car carpets) of the UK, and Czech rotor spinning machine maker Elitex to its fold;
- In 1995, Rieter bought automotive component makers Globe Industries (US) and Fimit SpA (Italy);
- In 2000, Rieter bought ICBT Groupe, France’s leading maker of non-woven plants, and a 60 per cent stake in Italian automotive engineering firm, Idea Institute;

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<th>Company</th>
<th>Mode of presence in India</th>
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<td>Rieter India Private Limited</td>
<td>100 per cent subsidiary</td>
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In 2001, it acquired Suessen Group, a Germany-based maker of textile spinning equipment;
In 2005, the company acquired Hogra Holding, the parent company of textile combing machinery maker Graf Group.

Rieter has successfully maintained its position in the market during times of industrial change by virtue of its flexibility and innovative momentum. Trend-setting product developments and sophisticated system solutions have made Rieter a reliable and successful partner for the textile, automotive and plastics industries.

The Group comprises of two divisions: Rieter Textile Systems and Rieter Automotive Systems. Both divisions are global market leaders in their respective market segments.

Rieter Textile Systems: Rieter Textile Systems develops and produces machinery and integrated systems for converting fibres and plastics into yarns, nonwovens and pellets. Its core business is staple fibre machinery. Rieter is the leading supplier of integrated installations for short staple spinning mills, from the spinning preparation stage to the final spinning process. Rieter is also active in the fields of man-made fibre and nonwovens machinery, and is one of the world’s leading suppliers of technology components and service offerings. With a global manufacturing and service network, Rieter Textile Systems is well-represented in all major markets. The company also has a strong presence in the growing Asian markets.

Rieter Automotive Systems: As a partner and supplier to automotive manufacturers, Rieter Automotive Systems develops and manufactures components, modules and total systems for acoustic comfort and thermal management in motor vehicles, based on fibres, plastics and metals. Its customers include the world’s major automotive manufacturers and hence it manufactures in the countries in which its customers produce their vehicles, increasingly in Eastern Europe and Asia.

In 2005, the Rieter Group generated sales of US$ 2.4 billion with approximately 15,000 employees at more than 70 locations world-wide, and plays a leading role both in textile machinery manufacturing and as a supplier to the international automotive industry.

Reiter in India

The Indian market is a vast expanse of resources and opportunities and one of Rieter’s key markets. The Indian customer has always been important ever since the first Rieter machines were installed in India more than 100 years ago.

Rieter India Private Limited was set up in 1995 as a subsidiary to strengthen the sales and service infrastructure of Rieter within the Indian market. This set up not only brings Rieter and its customers closer to each other, but also opens up lucrative opportunities for mutual development. A team of around 90 dedicated and focused employees in Rieter India is currently positioned at four offices to serve Indian customers. With the Corporate Office in New Delhi, sales and service support is extended from Mumbai (Maharashtra), Coimbatore (Tamil Nadu), New Delhi and Chandigarh (Punjab).
The branches of Rieter India have been strategically established near textile clusters to bring Rieter closer to the doorstep of Indian customers and provide easier access to the developments and products brought out by Rieter Textile Systems. Rieter India provides to its Indian customers an instant access to the best international standards of quality and productivity and world-class service, tailored to meet individual customer requirements.

Rieter offers an extensive range of services not only during the installation of spinning machines, but also over the entire life cycle of machines. The name Rieter is a guarantee for the excellence of products, work and spare parts. It is Rieter’s continuous endeavour to provide timely and professional service support to its customers in India. The ELO Service Centre at Coimbatore offers high quality industrial and electronics repair services. Working with state-of-the-art tools in a quality conscious environment, the service experts undertake OEM workmanship and component level repairs. A wide range of test equipment and software tailored for individual product requirements are utilised to perform repairs efficiently. Components and parts are thoroughly diagnosed and tested under simulated conditions. Preventive upgrades have also been developed to prolong the life of identified sub units.

The Rieter service portfolio also includes a wide range of mechanical maintenance services such as annual audits, trouble shooting assignments and customised training programmes. Technology support and management support for new investments round off these services for Rieter installations.

In 2005 Rieter completed the take-over of Suessen globally, which specialises in components for ring and rotor spinning machines. This is an important element in Rieter’s strategy of further expansion in the component business. Rieter is also reinforcing its position in the strategically important Asian markets by integrating Suessen’s manufacturing facility in India.

Rieter has acquired a 100 per cent interest in the Indian automotive supplier Rieter Automotive India (formerly called Unikeller India Private Ltd.). So far, Rieter had held a 35 per cent interest in the Indian supplier of damping products. This acquisition gives Rieter better access to the fast growing Indian automotive market. Rieter wants to increase the production capacity in India and intends to extend the product range to heat shields and also to the full Rieter product offering with acoustic components.

Rieter Automotive India’s production plant is situated in Behror, Rajasthan, about 130 kilometres from Delhi, serving efficiently more than one-third of the Indian automotive market. Rieter
Automotive India has over 80 employees and supplies damping products to customers like Maruti Suzuki, Mahindra, Fiat India, GM India and others.

**Key Success Factors**

Rieter Textile Systems occupies a leading position in the market for textile machines in India. Its extensive sales and distribution network facilitates access to its customers. At the same time the company supplies entire spinning systems from a single source. This is complemented by its reliable and proficient customer service and the development and manufacture of technology components and upgrade parts that enable older machines to be maintained at the latest state-of-the-art position for a prolonged period or adapted to new customer requirements. Since its acquisition of Suessen, Rieter has been progressively expanding its production capacities in India and can, therefore, increasingly supply cost-optimised products from here and its manufacturing location in China, which has also been expanded.

**Customer focus**

Rieter focuses strongly on its customers. Its products and services meet the customers’ requirements and contribute to its business success. The company has managed to grasp its customers’ needs faster than its competitors, implement them with superior project management, and make timely launches of products and services in the market.

**Innovation products**

As a company operating on an international scale in a globally competitive environment Rieter has maintained and reinforced its market position with innovations in all business sectors. In addition, it has improved its products and processes continuously with respect to quality, service and productivity taking the aspects of environmental compatibility, recyclability and safety into account. The company’s goal of being selected as “supplier of choice” by its customers and develop new solutions together with them has been achieved by supplying products and services at competitive prices, and by competent, solutions-oriented, fast, flexible and reliable co-operation with customers at all levels.

**Regular benchmarking to measure customer satisfaction**

Rieter regularly measures and arranges for independent evaluation of its customer focus and its competitiveness. By conducting regular “Customer Retention Surveys”, the company obtains a comprehensive picture of how customers view it. These surveys are used to ascertain market share and assess the comparative position of the company vis-à-vis its competition, as well as analyse its product pipeline to identify how the company is equipped for the medium-term and long-term future.

**Strong human resources systems**

The know-how, commitment, flexibility and loyalty of Rieter’s employees are the basis of its success in India. Rieter has provided its employees with suitable workplaces and working aids, as well as opportunities for further development. The company has trained prospective managers in-house and filled all executive positions with employees from within the company. Systematic succession planning has ensured management continuity.
Rieter expects vehicle production in India to grow at an unprecedented rate. In the years to come, Rieter wants to increase the production capacity in India and intends to extend the product range to heat shields and also to the full Rieter product offering with acoustic components.

Future Plans

The emerging market in India is assuming increasing importance for the Rieter Group. For Rieter this means opportunities for growth as well as the need to adapt to new competition. Rieter is strategically well-positioned for the most part in both divisions to face these challenges.

The future looks bright for the textile machinery sector in India. This market segment is likely to grow faster than the broader market. The global market for textile machinery in 2006 was characterised by strong demand from the major Asian growth regions, especially India. By virtue of its years of presence and value added locally in India, its strong brand and an innovative product range targeting specific markets, Rieter Textile Systems is well-positioned to exploit these trends. Demand is expected to be strong for the whole range of systems, machines and components for the staple fibre machinery sector. The company plans to establish a stronger local presence and focus its activities on local customer needs to stay ahead of competition, especially from local suppliers, who have a competitive lead by virtue of their knowledge of the markets and customers, as well as their cost structure. With the full integration of the Suessen Group and its production facility in Pune (Maharashtra), the division will no doubt further reinforce its position in India.

Rieter’s India operations

- Headquartered in New Delhi, Rieter’s sales and service support is extended from branches at Mumbai, Coimbatore, New Delhi and Chandigarh, all strategically established near textile industry clusters
- Product and service portfolio includes textile machinery as well as a wide range of mechanical maintenance services (annual audits, trouble shooting assignments and customised training programmes), technology support and management support for new investments
- Acquired a 100 per cent interest in the Indian automotive supplier Rieter Automotive India (formerly called Unikeller India Private Ltd.)
- Supplies damping products to customers like Maruti Suzuki, Mahindra, Fiat India, GM India and others