

Press Release

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Bühler acquires manufacturing capacity from Rieter in the Czech Republic

Uzwil-based technology group Bühler is to acquire two manufacturing facilities in the Czech Republic from Rieter, the textile machinery group based in Winterthur. These operate as suppliers to Rieter and other companies in various industrial sectors. This move gives both companies additional flexibility in manufacturing and in balancing capacity, and creates optimal preconditions for the long-term further development of these plants.

Additional manufacturing flexibility for Rieter

The manufacturing operations earmarked for sale (employing a workforce of 315 at the end of 2010) are located in Zamberk and Ústí nad Orlicí, and are part of Rieter CZ, a wholly-owned subsidiary of the Rieter Group. As manufacturers of subassemblies, components and sheet metal parts they operate mainly as suppliers to Rieter. Business with third-party customers in different industrial sectors has been expanded progressively in recent years. Rieter also intends to employ these plants in future as suppliers for its textile machinery manufacturing activities. However, in light of the further expansion of its business in the major Asian markets Rieter foresees changes in the volume of purchases from its Czech facility.

Through the transfer of this business to a new industrial owner (Bühler), Rieter will gain additional flexibility in manufacturing and at the same time create optimal development prospects for the plants being sold. Rieter's remaining activities at the Ústí nad Orlicí and Boskovice sites are not affected by this transaction.

Reinforcement of Bühler's manufacturing capacity close to the market

Bühler will not only retain all Rieter employees, but also plans further investment in the Czech manufacturing site. In reinforcing its manufacturing capacity in Europe, and espe-

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cially in eastern Europe, it is pursuing the principle of producing efficiently and cost-effectively, as close as possible to the market.

The acquisition in the Czech Republic will at the same time increase the group's flexibility by enabling the targeted growth in output to be handled in-house, and will create scope to improve throughput times. As a result of Rieter's ownership of these manufacturing facilities to date Bühler will benefit from their high quality standards, their know-how and their familiarity with Swiss corporate culture.

The transaction is expected to be completed in January 2012. The parties have agreed not to disclose the purchase price.

About Bühler

Bühler is a global leader in the field of process engineering, in particular production technologies and services for manufacturing foodstuffs and technical materials. Bühler has a presence in more than 140 countries and employs a workforce of some 7 800 worldwide. The group generated sales of CHF 1 907 million in the 2010 financial year.

Further information at (www.buhlergroup.com).

About Rieter

Rieter is a leading supplier on the world market for textile machinery and components used in short staple fiber spinning. Based in Winterthur (Switzerland), the company develops and manufactures systems, machinery and technology 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 18 manufacturing locations in 9 countries, the company employs a global workforce of some 4 700, approx. 26% of whom are based in Switzerland. Rieter is listed on the SIX Swiss Exchange under ticker symbol RIEN. (www.rieter.com)

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