

Media Release

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Agreement with the Works Council at the Ingolstadt location

- **Focusing on the development of machines in Ingolstadt (Germany)**
- **Relocation of production to Usti (Czech Republic)**
- **Establishment of a transfer company**
- **Expected cost reductions of over CHF 15 million from 2019**

As communicated on February 1, 2017, Rieter intends to focus at the Ingolstadt location on the development of machines and the provision of technical support for the after sales business. Production will be transferred to Rieter's Usti site in the Czech Republic.

Rieter has agreed with the Works Council at the Ingolstadt location on a package of measures for employees affected by the planned reduction in the workforce. The offers submitted by Rieter to some 220 employees include termination contracts or a switch to a transfer company. To prepare the employees for the requirements of the job market, consultancy and mediation services as well as qualification measures are essential components of the transfer company.

Once the measures are complete, a cost reduction of over CHF 15 million is expected from 2019. For 2017, Rieter anticipates a negative impact on earnings of CHF 36 million. This includes provisions for restructuring costs of CHF 30 million and a one-time impairment of CHF 6 million.

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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 end spinning processes currently established on the market. With 18 manufacturing locations in ten countries, the company employs a global workforce of some 5 230, about 20% of whom are based in Switzerland. Rieter is listed on the SIX Swiss Exchange under the ticker symbol RIEN. www.rieter.com

Disclaimer

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.