

## Press Release

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**Rieter sells pelletizing machinery business**

**Winterthur - Rieter is selling its activities in machinery and systems for manufacturing plastics granulates to CGS Management (Pfäffikon, Switzerland) with retroactive effect as of January 1, 2008. The two parties signed a purchase and sale agreement on February 25, 2008, for the Rieter Automatik GmbH business unit, based in Grossostheim (Germany), which is no longer a core activity for Rieter. The parties have agreed not to disclose the terms of the contract.**

Following a strategic review of the product portfolio of the Textile Systems Division, Rieter has decided to concentrate on its core business with staple fiber and nonwovens production machinery, technology components and service offerings. Rieter is therefore disposing of the pelletizing machinery activities.

All interests in Rieter Automatik GmbH, based in Grossostheim/D – including all patents, trademarks and regional distribution channels and service centers – are being sold to CGS Management. This company is also acquiring the manufacturing facilities in Germany and the global sales and marketing activities. CGS specializes in the further development of industrial groups and is thus ideally suited to ensure the sustained development of this business.

Rieter Automatik GmbH employs a workforce of 230 in Grossostheim and generated sales of some 70 million CHF (machinery and spare parts) in 2007. The company is a world leader in the manufacture of pelletizing systems and components, and offers all current processes for producing and recycling plastics or pelletizing low-viscosity liquids.

CGS Management is an independent, experienced industrial partner, which focuses on developing medium-sized enterprises into international industrial groups. In addition to financial strength, the partners' long-term industrial experience in an international business environment is of particular importance in this process. The company concentrates primarily on companies in Switzerland and the neighboring German-speaking countries.

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The Rieter Group operates internationally, developing and producing sophisticated systems solutions for the textile and automotive industries. Rieter generated sales of 3 930 million CHF with some 15 000 employees worldwide in the 2007 financial year. The Textile Systems Division accounted for 1 567 million CHF, the Automotive Systems Division for 2 363 million CHF of this total.

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