

## Press release

Niederweningen, 3 February 2015

### Growth in sales

In the 2014 business year, Bucher Industries recorded a 4% increase in sales to CHF 2.8 billion. Order intake amounted to CHF 2.7 billion, 1% above the previous year's level. For 2014, the Group anticipates a profit for the year just short of the record mark set in 2013.

#### Group

| CHF million                        | 2014    | 2013    | Change in |                 |                 |
|------------------------------------|---------|---------|-----------|-----------------|-----------------|
|                                    |         |         | %         | % <sup>1)</sup> | % <sup>2)</sup> |
| Order intake                       | 2 742.1 | 2 718.2 | 0.9       | 2.3             | -0.4            |
| Net sales                          | 2 805.6 | 2 690.8 | 4.3       | 5.8             | 2.7             |
| Order book                         | 788.9   | 850.4   | -7.2      | -6.2            | -6.4            |
| Number of employees at 31 December | 11 554  | 10 916  | 5.8       |                 | 1.2             |

<sup>1)</sup> Adjusted for currency effects

<sup>2)</sup> Adjusted for currency, acquisition and divestment effects

In the reporting year, developments in the markets served by Bucher Industries presented a varied picture. Western Europe saw a cooling of economic activity due to the political unrest in Eastern Europe and the Middle East. The mood in the US market continued to be friendly, whereas Asia remained stable at a low level. In this market environment, the Group recorded further growth in both order intake and sales. With the exception of Kuhn Group's specialised agricultural machinery business, which could not escape the effects of the worldwide slowdown in the agricultural sector, all divisions contributed to the growth. For 2014, the Group anticipates a decline in operating profit and a profit for the year just short of the record mark set in 2013.

**Kuhn Group**

| CHF million                        | 2014    | 2013    | Change in |                 |                 |
|------------------------------------|---------|---------|-----------|-----------------|-----------------|
|                                    |         |         | %         | % <sup>1)</sup> | % <sup>2)</sup> |
| Order intake                       | 1 221.4 | 1 261.7 | -3.2      | -1.2            | -5.3            |
| Net sales                          | 1 261.9 | 1 285.8 | -1.9      | 0.2             | -4.6            |
| Order book                         | 454.1   | 482.2   | -5.8      | -4.4            | -4.8            |
| Number of employees at 31 December | 5 207   | 4 699   | 10.8      |                 | -               |

<sup>1)</sup> Adjusted for currency effects

<sup>2)</sup> Adjusted for currency and acquisition effects

**Declining market** Kuhn Group's principal markets in Western and Eastern Europe as well as the Americas saw an overall decline. The world market prices for soya, maize and wheat continued to fall, which had a negative impact on demand in the arable sector. Price levels in livestock farming remained attractive, while the dairy sector saw slightly declining prices in the second half of the year. Kuhn Group was unable to escape completely from the effects of this trend. The division saw a fall in order intake and sales, though the decline was less pronounced than that in the market for agricultural machinery as a whole.

**Bucher Municipal**

| CHF million                        | 2014  | 2013  | Change in |                 |                 |
|------------------------------------|-------|-------|-----------|-----------------|-----------------|
|                                    |       |       | %         | % <sup>1)</sup> | % <sup>2)</sup> |
| Order intake                       | 415.6 | 393.5 | 5.6       | 6.7             | 7.1             |
| Net sales                          | 418.7 | 383.2 | 9.3       | 10.5            | 11.1            |
| Order book                         | 100.7 | 104.2 | -3.4      | -3.3            | -3.2            |
| Number of employees at 31 December | 1 557 | 1 523 | 2.2       |                 | 2.2             |

<sup>1)</sup> Adjusted for currency effects

<sup>2)</sup> Adjusted for currency and divestment effects

**Stable market environment** The market for sweepers and winter maintenance equipment in Europe remained at a low, though stable level. The major order worth CHF 53 million from the city of Moscow had a positive effect on the business performance. The division delivered this order on schedule and to the customer's complete satisfaction. All amounts receivable were settled by the end of the year. The business with winter maintenance equipment lacked

momentum owing to the mild winter, while the business with refuse collection vehicles in Australia felt the effects of austerity measures on the part of local authorities. Despite this strained and highly competitive market environment, Bucher Municipal reported increased order intake and sales.

### Bucher Hydraulics

| CHF million                        | 2014  | 2013  | Change in |                 |                 |
|------------------------------------|-------|-------|-----------|-----------------|-----------------|
|                                    |       |       | %         | % <sup>1)</sup> | % <sup>2)</sup> |
| Order intake                       | 484.5 | 451.8 | 7.2       | 8.3             | 7.4             |
| Net sales                          | 475.4 | 453.3 | 4.9       | 5.9             | 5.1             |
| Order book                         | 78.2  | 69.1  | 13.2      | 14.2            | 14.2            |
| Number of employees at 31 December | 2 043 | 1 984 | 3.0       |                 | 3.0             |

<sup>1)</sup> Adjusted for currency effects

<sup>2)</sup> Adjusted for currency and acquisition effects

**Healthy growth** The various market segments of Bucher Hydraulics developed along different lines, but on the whole the trend was positive. Demand in the North American market was buoyant, while in Europe there were the first signs of a slowdown in some market segments towards the end of the reporting year. China remained stable at a low level. Thanks to long-term serial orders as well as new applications and projects, the division was able to limit the knock-on effects of the decline in the key agricultural machinery segment. Overall, Bucher Hydraulics saw pleasing progress in the reporting year, with an increase in both order intake and sales.

### Bucher Emhart Glass

| CHF million                        | 2014  | 2013  | Change in |                 |
|------------------------------------|-------|-------|-----------|-----------------|
|                                    |       |       | %         | % <sup>1)</sup> |
| Order intake                       | 367.0 | 354.1 | 3.6       | 4.8             |
| Net sales                          | 389.2 | 346.6 | 12.3      | 13.5            |
| Order book                         | 95.1  | 118.7 | -19.9     | -19.0           |
| Number of employees at 31 December | 1 890 | 1 864 | 1.4       |                 |

<sup>1)</sup> Adjusted for currency effects

**Positive sales trend** Overall, the market for glass-forming and inspection machinery remained at the same level as the previous year. The regional differences were considerable, with

particularly lively project activity in Central and South America. Although the project business with new machinery stagnated overall, glass container manufacturers invested in the maintenance of existing installations. This led to pleasing expansion of the spare parts and service business which was also underpinned by the good cooperation with Owens-Illinois. As already announced in mid-year, individual sub-projects relating to the realignment of the division will be delayed by about twelve months. This is because of the excessive workload resulting from simultaneous implementation of the cooperation with Owens-Illinois.

### Bucher Specials

| CHF million                        | 2014  | 2013  | Change in |                 |                 |
|------------------------------------|-------|-------|-----------|-----------------|-----------------|
|                                    |       |       | %         | % <sup>1)</sup> | % <sup>2)</sup> |
| Order intake                       | 299.3 | 257.1 | 16.4      | 17.1            | -0.5            |
| Net sales                          | 304.5 | 244.0 | 24.8      | 25.6            | 8.0             |
| Order book                         | 72.9  | 76.2  | -4.3      | -3.9            | -3.9            |
| Number of employees at 31 December | 793   | 785   | 1.0       |                 | 1.0             |

<sup>1)</sup> Adjusted for currency effects

<sup>2)</sup> Adjusted for currency and acquisition effects

**Strong growth** Bucher Specials benefitted from a lively mood in the markets. Demand for winemaking equipment, especially in France, and equipment for processing fruit juice was very lively. The division's business performance benefitted from the backlog of investment in modernisation at fruit-juice producers. The Swiss distributorship for tractors and agricultural machinery was unable to escape from the effects of the reduced demand in agriculture. Jetter's business with automation solutions developed in line with expectations. In a largely positive market environment, Bucher Specials recorded a marked increase in order intake and sales.

**Outlook for 2015**

For the year in progress, the Group does not anticipate any significant improvement in the economic climate. Kuhn Group expects the market for agricultural machinery to show a further slight decline. In the Bucher Municipal business with municipal vehicles, it will be difficult to compensate for the major order from the city of Moscow. Bucher Hydraulics and Bucher Specials anticipate a slight upturn in demand, which should compensate for the decline in the agricultural sector. Without taking account of the impact of currency influences since the middle of January of the current year, the Group anticipates a slight drop in sales for 2015.

In mid-January 2015 the Swiss National Bank discontinued the minimum euro rate of CHF 1.20, which led to parity in the EUR/CHF rate and an appreciation of the Swiss franc against the Group's principal trading currencies by about 17%. In view of the internationalisation of the Group's business over many years – with less than 10% of the workforce now employed in Switzerland – the exchange-rate shock mainly affects translation of foreign currencies. Recalculating the annual figures for 2014 in Swiss francs with the exchange rates since mid-January 2015 as the basis gives sales for 2014 about CHF 400 million lower and an operating profit margin less than one percentage point lower.

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**Simply great machines**

Bucher Industries is a global technology group with leading market positions in speciality areas of mechanical and vehicle engineering. The divisions include specialised agricultural machinery, municipal vehicles, hydraulic components, manufacturing equipment for the glass container industry, beverages production, environmental technology and automation. The group's shares are traded on the SIX Swiss Exchange (SIX: BUCN). For further information please visit [www.bucherindustries.com](http://www.bucherindustries.com).