

Press release

Niederweningen, 14 March 2013

Bucher Industries posts 21% rise in operating profit and profit for the year

In the 2012 business year, Bucher Industries increased sales by 12% to CHF 2 609 million, while operating profit rose 21% to CHF 229 million. The operating profit margin increased to 8.8%. Profit for the year also grew by 21%, reaching CHF 154 million. The board of directors is proposing a dividend of CHF 5.00 per share to the annual general meeting on 11 April 2013.

Group

CHF million	2012	2011	Change in		
			%	% ¹⁾	% ²⁾
Order intake	2 490.4	2 587.5	-3.8	-3.7	-6.9
Net sales	2 609.0	2 336.0	11.7	11.7	8.6
Order book	795.3	923.0	-13.8	-13.6	-14.6
Operating profit (EBITDA)	304.3	259.9	17.1		
<i>As % of net sales</i>	<i>11.7%</i>	<i>11.1%</i>			
Operating profit (EBIT)	229.1	190.2	20.5		
<i>As % of net sales</i>	<i>8.8%</i>	<i>8.1%</i>			
Profit for the year	154.2	127.4	21.0		
<i>As % of net sales</i>	<i>5.9%</i>	<i>5.5%</i>			
Earnings per share in CHF	15.34	12.52	22.5		
Operating free cash flow	105.4	54.8	92.3		
Net operating assets	969.6	827.8	17.1		
Net cash/debt	-19.4	-71.5	72.9		
Total assets	2 256.3	2 247.7	0.4		
Equity	915.7	814.4	12.4		
<i>Equity ratio</i>	<i>40.6%</i>	<i>36.2%</i>			
Number of employees at 31 December	10 166	10 136	0.3		0.2
Average number of employees during year	10 383	9 380	10.7		10.8

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and disposal effects

Market development The performance of the various market segments served by Bucher Industries presented a mixed picture. Specialised agricultural machinery benefitted from generally higher incomes in the farming sector. The markets for municipal vehicles and equipment for the glass container industry remained stable, while demand for hydraulic components weakened, particularly in the second half of the year. Differing market trends affecting the Bucher Specials businesses offset each other, resulting in overall levels in line with those of 2011. Currency effects were marginal in the reporting year.

Marked rise in profitability Thanks to flexible structures, broadly based product offerings and a global presence, Bucher Industries generated sales growth of 12%. Order intake was below the high level seen the previous year owing to the absence of major orders and the weaker market environment affecting hydraulic components. While specialised agricultural machinery had the flexibility to respond to regional increases in demand and the municipal vehicles segment was handling the major order received from the city of Moscow the previous year with great efficiency, other areas of activity kept tight control of costs as volumes stagnated. This resulted in a rise in operating profit of 21% and an operating profit margin of 8.8%. Interest savings and positive currency effects led to an improvement in net financial items, while an increase in profits realised in countries with high tax rates brought a slight increase in the tax rate. Profit for the year surpassed the previous year's level by 21%, reaching CHF 154 million. Earnings per share amounted to CHF 15.34.

Solid financial basis The Group invested CHF 96 million in the reporting year, mainly in internal growth. Major projects included capacity expansion and the renewal and modernisation of capital equipment. The Group ended the year with liquid funds of CHF 480 million, net debt of CHF 19 million and a healthy equity ratio of 41%.

Kuhn Group

CHF million	2012	2011	Change in		
			%	% ¹⁾	% ²⁾
Order intake	1 199.0	1 166.3	2.8	3.3	-0.7
Net sales	1 222.4	1 026.4	19.1	19.7	16.1
Order book	491.5	506.0	-2.9	-2.3	-5.0
Operating profit (EBITDA)	186.5	148.1	25.9		
<i>As % of net sales</i>	<i>15.3%</i>	<i>14.4%</i>			
Operating profit (EBIT)	151.8	115.7	31.2		
<i>As % of net sales</i>	<i>12.4%</i>	<i>11.3%</i>			
Number of employees at 31 December	4 495	4 230	6.3		
Average number of employees during year	4 558	4 109	10.9		

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Outstanding profitability Kuhn Group's main markets developed well overall in the reporting year. Farmers, particularly in Western Europe and Brazil, profited from a sharp rise in maize and wheat prices on the world markets. Milk and meat prices also rose on buoyant demand. Kuhn Group took advantage of this market trend to achieve significant increases in sales, operating profit and operating profit margin. It achieved this success thanks to a high degree of flexibility, efficiency, cost awareness and good capacity utilisation. The division invested in increased production capacity in North America and the expansion of its European logistics centre.

Bucher Municipal

CHF million	2012	2011	Change in		
			%	% ¹⁾	% ²⁾
Order intake	364.3	449.3	-18.9	-20.3	-21.3
Net sales	424.2	379.9	11.7	9.9	9.1
Order book	95.7	153.2	-37.5	-38.7	-39.0
Operating profit (EBITDA)	45.8	34.5	32.8		
<i>As % of net sales</i>	<i>10.8%</i>	<i>9.1%</i>			
Operating profit (EBIT)	39.3	26.6	47.7		
<i>As % of net sales</i>	<i>9.3%</i>	<i>7.0%</i>			
Number of employees at 31 December	1 429	1 530	-6.6		-8.8
Average number of employees during year	1 478	1 391	6.3		5.6

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Operating profit margin at all-time high The European market for municipal vehicles remained stable at a low level in the reporting year. Thanks to a one-off order from the city of Moscow, the biggest ever in the municipal vehicles sector, won in a tendering process in November 2011, Bucher Municipal posted a marked increase in sales. The major order contributed CHF 50 million to the sales figures and ensured full capacity utilisation in the first half of 2012. Order intake was below the high level of the previous year, which was boosted by the Moscow order. The division achieved a marked improvement in operating profit and the operating profit margin was 9.3%, an all-time high. In the second half of the year, Bucher Municipal readjusted to the normal, lower level of the market and announced the merger of its three plants in Great Britain at the main site in Dorking. A plant was also closed in Australia and its activities were transferred to the main site in Melbourne. The division is now operating its winter maintenance business under a single management and will increase its interest in Giletta S.p.A., Italy, from 50% to 60% by incorporating Gmeiner GmbH, Germany, in spring 2013.

Bucher Hydraulics

CHF million	2012	2011	Change in		
			%	% ¹⁾	% ²⁾
Order intake	386.4	406.3	-4.9	-5.2	-4.8
Net sales	406.8	399.2	1.9	1.6	2.1
Order book	52.8	68.9	-23.4	-23.8	-23.9
Operating profit (EBITDA)	53.7	52.1	3.1		
<i>As % of net sales</i>	<i>13.2%</i>	<i>13.1%</i>			
Operating profit (EBIT)	36.3	34.8	4.3		
<i>As % of net sales</i>	<i>8.9%</i>	<i>8.7%</i>			
Number of employees at 31 December	1 647	1 712	-3.8		-2.4
Average number of employees during year	1 700	1 661	2.3		3.5

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and disposal effects

Holding ground in weaker market Bucher Hydraulics faced a progressive weakening of the market environment during the reporting year. Agricultural machinery, materials handling and special applications developed positively. However, in Western Europe and China industrial hydraulics and construction machinery were particularly affected by the slowdown. The US market experienced a marked increase in demand. The division benefitted from the

high level of the order book at the beginning of the reporting year, as well as from projects for major customers. Sales were marginally higher than the previous year's level, while order intake was a little lower. Operating profit and the operating profit margin improved slightly year on year. The division created two centres of expertise in the reporting year, one in Switzerland and one in Germany, each under a single management, to improve efficiency, productivity and capacity utilisation. Bucher Hydraulics also completed construction of a new factory building in Klettgau, Germany, including state-of-the-art production cells. The acquisition of Ölhydraulik Altenerding Dechamps & Kretz GmbH & Co. KG, Erding, Germany, was completed in February of the current year.

Emhart Glass

CHF million	2012	2011	Change in		
			%	% ¹⁾	% ²⁾
Order intake	338.7	357.7	-5.3	-4.7	-13.9
Net sales	366.5	345.2	6.2	6.6	-3.2
Order book	109.3	145.0	-24.6	-23.8	-18.6
Operating profit (EBITDA) before restructuring	20.7	24.4	-15.2		
Operating profit (EBITDA)	12.1	24.4	-50.4		
<i>As % of net sales</i>	<i>3.3%</i>	<i>7.1%</i>			
Operating profit (EBIT)	0.7	15.4	-95.5		
<i>As % of net sales</i>	<i>0.2%</i>	<i>4.5%</i>			
Number of employees at 31 December	2 027	2 134	-5.0		
Average number of employees during year	2 074	1 647	25.9		

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Restructuring costs curb operating profit After a weak first quarter, demand for equipment for the glass container industry recovered to around the level of the previous year, though with considerable regional variations. The shift of emphasis towards growth markets in the emerging economies of Asia, the Middle East and South America increased cost pressure and accelerated the trend towards simpler machines. In this environment, Emhart Glass generated higher sales. Order intake fell, although the previous year's level had been influenced by a major order from India. Marked fluctuations in the project business made production planning difficult. In addition, capacity was not fully utilised in the first quarter. In November 2012, Emhart Glass announced plans to transfer a significant part of its production

capacity from Europe to Asia. In future the division will produce high-end machines in Europe and simpler, standard machines in Asia. These measures will result in nonrecurring restructuring costs of up to CHF 13 million, of which CHF 9 million were recognised in the reporting year. The division posted a marginally positive operating profit.

Bucher Specials

CHF million	2012	2011	Change in	
			%	% ¹⁾
Order intake	202.0	207.9	-2.8	-2.5
Net sales	205.8	200.6	2.6	2.9
Order book	46.0	49.9	-7.8	-7.6
Operating profit (EBITDA)	19.8	15.0	32.0	
<i>As % of net sales</i>	<i>9.6%</i>	<i>7.5%</i>		
Operating profit (EBIT)	16.6	12.3	35.0	
<i>As % of net sales</i>	<i>8.1%</i>	<i>6.1%</i>		
Number of employees at 31 December	506	511	-1.0	
Average number of employees during year	510	553	-7.8	

¹⁾ Adjusted for currency effects

Increased operating profit In the reporting year, developments in the various market segments served by Bucher Specials presented a varied picture. Demand for winemaking equipment in the main market of France declined because of the premature announcement of subsidies for 2013. Demand in Western Europe generally remained subdued, but it recovered in the USA. The business with equipment for processing fruit juice developed well, though there were no major orders such as those secured the previous year. The Swiss distributorship for tractors and agricultural machinery took advantage of the favourable market environment. Overall, sales at Bucher Specials were marginally higher than the previous year's level. Order intake declined slightly because of the absence of major orders. However, it was possible to achieve a significant rise in operating profit thanks to effective cost-cutting measures. The acquisition of the Filtrix Engineering business in the area of beer filtration was completed in February of the current year.

Outlook for 2013 The macroeconomic environment is unlikely to undergo any fundamental changes in the current business year. The Western industrial economies, above all Europe and the USA, are set to continue tackling the high levels of indebtedness and adopt measures to stimulate economic growth. On the other hand, the economies of Asia and South America should continue to grow. Looking at Bucher Industries' markets, we expect the upward trend in the agricultural machinery segment to be sustained, although with lower growth rates than in the previous year. In the other business areas, we are cautiously anticipating that demand will attain roughly the same level as in the previous year. At Bucher Municipal, it will not be possible to compensate for the effect of the major order from the city of Moscow, which boosted sales by CHF 50 million in the reporting year. At Bucher Hydraulics and Bucher Specials, the acquisitions will make a significant contribution to sales growth. The ongoing efforts to improve profitability will have a positive impact. Overall, the Group expects a marginal increase in sales and somewhat higher profitability.

Higher dividends In view of the marked rise in the profit for the year in 2012, the stable outlook for the current business year and a consistent dividend policy, the board of directors is proposing to the annual general meeting of 11 April 2013 that the dividend be increased by 25% to CHF 5.00 per share.

Annual general meeting The ordinary annual general meeting of Bucher Industries AG will be held on 11 April 2013 at 4 pm in Hotel Mövenpick in Regensdorf. The board of directors is proposing to the annual general meeting that Rolf Broglie and Anita Hauser be re-elected to the board for a further three-year term of office. After 25 successful years on the Group's board, Thomas W. Bechtler, whose term of office will also expire, is not standing for re-election. On behalf of all the employees and business partners of Bucher Industries, we would like to thank Thomas W. Bechtler for his outstanding contribution to the Group's development. No new election is proposed.

The invitation to the annual general meeting will be sent to shareholders on 19 March 2013. Shareholders with voting rights listed in the share register on 5 April 2013 are entitled to take part in the annual general meeting. As of 15 April 2013 shares are traded without entitlement to dividends. The dividends will be paid out as from 18 April 2013.

The annual report of Bucher Industries is available for download as of today from www.bucherindustries.com; the invitation to the annual general meeting will be available from 19 March 2013. The printed version of the annual report will be available from 19 March 2013.

Contact

Philip Mosimann, CEO

Roger Baillod, CFO

Tel: +41 43 815 80 88

E-mail: media@bucherindustries.com

www.bucherindustries.com

Simply great machines

Bucher Industries is a global technology group with leading market positions in speciality areas of mechanical and vehicle engineering. The company's operations include specialised agricultural machinery, municipal vehicles, hydraulic components, manufacturing equipment for the glass container industry and for production of wine, fruit juice and instant products. The Group's shares are traded on the SIX Swiss Exchange (SIX: BUCN). Please see www.bucherindustries.com for further information.