

Press release

Niederweningen, 31 January 2013

Bucher Industries achieves high sales growth

Bucher Industries increased sales by 12% to CHF 2 609 million in the 2012 business year. Order intake of CHF 2 490 million was 4% down on the high level of the previous year because of major one-off orders in 2011 and the slowdown in the market for hydraulic components. For 2012 the Group expects double-digit growth in operating profit and profit for the year.

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
Number of employees at 31 December	10 166	10 136	0.3		0.2

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and disposal effects

Marked sales growth In the 2012 business year, developments in the Group's main markets presented a varied picture. Specialised agricultural machinery profited from higher incomes in the farming industry. The European market for municipal vehicles remained at a low level because of continuing austerity measures in cities and municipalities. Demand for machinery for the glass container industry stayed at an average level. Bucher Hydraulics was affected by a weakening market environment, particularly in the second half of the year. In this climate, Bucher Industries was able to increase sales by 11.7%. Order intake fell because of major one-off orders in 2011 as well as the weaker market environment in hydraulic systems. In contrast to the very high level of the previous year, the order book was at normal levels. Compared with 2011, currency effects in the reporting year were marginal, not least because of the steps taken by the Swiss National Bank to maintain the stability of

the Swiss franc against the euro. The number of employees was virtually unchanged at the end of the year.

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
Number of employees at 31 December	4 495	4 230	6.3		

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Good conditions in agricultural machinery Kuhn Group's principal markets developed well overall, although certain cereal-producing regions, particularly southern and western parts of the USA, suffered severe drought and crop shortfalls. Farmers, particularly in Western Europe and Brazil, profited from the subsequent hike in maize and wheat prices on the world market. In these favourable conditions, Kuhn Group was able to use its global set-up and broad product range to good effect, generating a substantial increase in sales. The Kuhn-Krause, USA, acquisition effect in the reporting year amounted to CHF 39 million. Order intake exceeded the high level of 2011, and the solid order book ensured a good start to the first half of the current year.

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
Number of employees at 31 December	1 429	1 530	-6.6		-8.8

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Excellent performance Bucher Municipal produced a record year in 2012 despite continuing austerity measures in cities and municipalities across Europe, the absence of major contracts put out to tender and the fact that the market volume remained at the low

level of previous years. The division achieved this success thanks to the smooth handling of the major order from the city of Moscow, which contributed CHF 50 million to the record sales figures and ensured full utilisation of capacity at the division's European plants in the first half of 2012. Order intake was below the previous year's high value, which was influenced by receipt of the major order worth CHF 62 million from the city of Moscow. In the second half of the year, the division readjusted to normal, lower volumes. To further strengthen profitability, Bucher Municipal concentrated Australian production of refuse collection vehicles in Melbourne, retaining the Perth site as a service centre. The division also announced the consolidation of the three plants in Great Britain at the main site in Dorking.

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
Number of employees at 31 December	1 647	1 712	-3.8		-2.4

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and disposal effects

Slower market growth Bucher Hydraulics experienced a gradual weakening of the market environment during the reporting year. The construction machinery and industrial hydraulics segments in Western Europe and China were particularly affected by the slowdown. At the same time, agricultural machinery, materials handling and special applications developed positively. There was also a marked increase in demand in the USA. In the generally weaker market environment, the division profited from the solid order book at the beginning of 2012, as well as from projects with major customers which entered series production. Sales were marginally above the previous year's level, but the order intake was slightly down. In December, Bucher Hydraulics agreed to acquire Ölhydraulik Altenerding Dechamps & Kretz GmbH & Co. KG, Germany, which specialises in advanced hydraulic cylinder technology. The acquisition closes a gap in the division's product portfolio.

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
Number of employees at 31 December	2 027	2 134	-5.0		

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Big fluctuations in capacity utilisation The project business of Emhart Glass was again subject to marked volatility in the reporting year, with demand showing wide regional variations. After a weak first quarter, demand recovered to an overall level on a par with the previous year. In spite of this, Emhart Glass generated sales growth in 2012. Order intake was down, although the previous year's figure contained a major order worth over CHF 40 million from India. The shift of emphasis towards growth markets in Asia, the Middle East and South America, increased cost pressure and accelerated the trend towards simpler machines. In November 2012, Emhart Glass announced measures to address these changes in the market through the transfer of a significant part of its production capacity from Europe to Asia. In future, high-end machinery will be produced in Europe, and standardised machines in Asia. These measures will entail nonrecurring restructuring costs of up to CHF 13 million, of which CHF 9 million was charged to the reporting year. As a result, operating profit will come in at around the breakeven point.

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	50.0	-8.0	-7.6
Number of employees at 31 December	506	511	-1.0	

¹⁾ Adjusted for currency effects

Variable market development In the reporting year, Bucher Specials, with its three independent businesses, achieved a slight increase in sales in its diverse market segments, where developments presented a varied picture. Order intake was slightly down owing to a

lack of major orders. The market for winemaking equipment at Bucher Vaslin was subdued in Western Europe, while in France, the main market, it actually declined further because of the advance announcement of subsidies for 2013. Demand picked up in the USA. Bucher Unipektin's business with equipment for processing fruit juice profited from attractive prices for fruit juice concentrates and rising demand in Asia and Africa for vacuum drying equipment for instant products. Bucher Unipektin complemented its product portfolio in the area of beer filtration through the acquisition of the engineering business of the world-leading Filtrox Group. Bucher Landtechnik, the Swiss distributorship for tractors and agricultural machinery, also took advantage of the favourable market conditions with slightly rising prices for agricultural produce.

Group result for 2012 and outlook for 2013 For the 2012 business year, Bucher Industries expects double-digit growth in operating profit and profit for the year. For the current business year, the Group does not anticipate any fundamental change in the macroeconomic environment. The agricultural machinery segment should continue to prosper, though with considerably lower growth rates. For the other areas of activity, Bucher Industries is cautiously predicting that demand will reach a similar level to 2012. Factors to be taken into account are that the business with municipal vehicles will not be able to compensate for the major order from the city of Moscow, CHF 50 million of which had an effect on sales in the reporting year, and that Bucher Hydraulics and Bucher Specials acquisitions will make a significant contribution to sales growth. The ongoing efforts to increase profitability should have a positive impact, particularly at Emhart Glass. Overall, the Group expects 2013 will bring a marginal increase in sales and slightly higher profitability.

Sustainable management

Bucher Industries published its first sustainability report in December 2012, based on the guidelines of the Global Reporting Initiative (GRI). The sustainability report is available on the Bucher Industries website.

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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 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.