

## Press release

Niederweningen, 26 October 2012

### High sales growth sustained

**Bucher Industries increased sales by 14% to CHF 1 931 million in the first nine months of the current business year. All divisions contributed to this pleasing development. The order intake of CHF 1 768 million was only 2% down on the same period of last year. For 2012 as a whole, the Group continues to expect improved sales, operating profit and profit for the year.**

#### Group

CHF million January – September	2012	2011	Change in		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	1 768.2	1 798.1	-1.7	-1.8	-6.1
Net sales	1 931.2	1 695.8	13.9	13.8	9.7
Order book	751.3	772.2	-2.7	-2.7	-2.8
Number of employees at 30 September	10 343	9 985	3.6		3.4

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

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

**Market development** The Group benefited from the healthy state of the order book at the beginning of the year and all divisions reported a positive sales trend. Demand for specialised agricultural machinery recovered strongly and made the deficit from the first half of the year. The order intake in wine production equipment improved, recovering from the low level of the previous year. This upward trend was not sufficient to fully offset the decline in demand for municipal vehicles, hydraulic systems and machinery for the glass container industry. Thanks to the stabilisation measures of the Swiss National Bank, the impact of the currency situation on the consolidation in Swiss francs was slight. For the 2012 business year as a whole, the Group can confirm the previous forecast and expects increased sales, operating profit and profit for the year.

**Kuhn Group**

CHF million January – September	2012	2011	Change in		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	<b>810.9</b>	740.4	9.5	9.8	3.6
Net sales	<b>928.2</b>	775.6	19.7	20.4	15.6
Order book	<b>395.3</b>	328.9	20.2	20.4	19.1
Number of employees at 30 September	<b>4 557</b>	4 208	8.3		

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

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

**Favourable conditions in agricultural machinery** Kuhn Group benefited from the positive mood in the market for agricultural machinery worldwide. The exceptionally dry conditions affecting large areas of the USA, parts of South America, and Southern and Eastern Europe resulted in falling crop yields, lower grain stocks and a sharp rise in cereal prices. Despite the unfavourable climatic conditions, demand in the US market was particularly lively, especially for Kuhn Krause tillage machinery. Inventories at Kuhn dealers worldwide were normal.

**Bucher Municipal**

CHF million January – September	2012	2011	Change in		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	<b>261.0</b>	292.5	-10.8	-12.4	-12.8
Net sales	<b>299.8</b>	252.0	19.0	16.8	16.4
Order book	<b>116.7</b>	122.7	-4.9	-6.2	-7.3
Number of employees at 30 September	<b>1 461</b>	1 424	2.6		1.5

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

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

**Business performance** In the first nine months of 2012, demand for municipal vehicles remained at a low level as austerity measures in the public sector were stepped up. The winter maintenance business saw a significant decline. Tenders for large-scale projects were not forthcoming or subject to postponement. This situation led to tough competition to secure new projects, while pricing pressure intensified further. The positive sales trend continued thanks to the smooth delivery of the major order from the City of Moscow during the first half-year. The difficult market situation led to a substantial drop in the order intake, although this was in line with expectations. Against this background, the division concentrated on further improving cost efficiency. Production capacity at the plant in Latvia was well utilised through

targeted deployment. Negotiations with employee representatives about the consolidation of the Johnston Sweepers plants in Dorking, Great Britain, were successfully concluded and implementation of the corresponding measures was initiated. In the winter service business, a new organisation under one management was successfully introduced, creating the basis for further improvements.

### Bucher Hydraulics

CHF million January – September	2012	2011	Change in		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	294.4	311.7	- 5.6	-6.0	-5.6
Net sales	317.0	302.3	4.9	4.5	4.9
Order book	49.7	69.7	-28.7	-29.2	-29.3
Number of employees at 30 September	1 675	1 706	-1.8		-0.4

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

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

**Economic downturn in Europe** The market for hydraulic systems in Europe has shown a faltering tendency since the turn of the year and is probably yet to bottom out. With the exception of elevator hydraulics, all market segments were affected by the downturn and production capacity at the European plants was not fully utilised. Thanks to its excellent market position and ongoing projects with major customers, the division nevertheless succeeded in improving sales year on year. Brisk demand in North America was not able to compensate for the decline in Europe, and the order intake was lower than for the same period of 2011. An organisation founded on regional centres of excellence enabled the division to take full advantage of operational synergies. These capabilities can be adapted rapidly and flexibly to meet needs as they arise.

### Emhart Glass

CHF million January – September	2012	2011	Change in		
			%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	257.9	295.5	-12.7	-12.4	-23.3
Net sales	239.4	223.9	6.9	7.0	-7.9
Order book	155.5	203.9	-23.7	-22.8	-19.3
Number of employees at 30 September	2 062	2 108	-2.2		

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

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

**Restrained market momentum** Following a first half-year which was marked by a tentative investment climate and a sluggish business trend, demand for new machinery for the manufacture and inspection of glass containers recovered. However, the project business was affected by major fluctuations, with orders issued at short notice or postponed, presenting huge challenges for production planning. The business with spare parts remained stable at a high level. The previously vigorous demand in China also showed a tendency to slow down. Despite this difficult environment, the division was able to increase sales. However, the order intake was well down on the same period of 2011, which was boosted by a major order from India. The machines for forming and inspecting glass containers, jointly developed for the Chinese market with local partner Sanjin, were launched successfully. Satisfied customers have already placed repeat orders.

### Bucher Specials

CHF million January – September	2012	2011	Change in	
			%	% <sup>1)</sup>
Order intake	144.1	158.1	-8.9	-8.6
Net sales	159.9	153.9	3.9	4.3
Order book	34.1	47.0	-27.4	-27.5
Number of employees at 30 September	526	520	1.2	

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

**Mixed market trend** Bucher Specials increased sales in the first nine months of the current business year. This success was based on the very good performance of the Swiss distributorship for tractors and agricultural machinery, which more than offset the decline in sales of production equipment for wine and fruit juice. Order intake at Bucher Specials was below that of the corresponding period of 2011, influenced by the weak order situation in wine production equipment in France, which is the main market. The fruit juice processing segment was adversely affected by individual customers postponing major orders.

**Group result for 2012** For the 2012 business year as a whole, the Group can confirm the previous forecast and expects a year-on-year increase in sales as well as an improvement in operating profit and profit for the year. In view of the still unresolved euro crisis and the resulting instability in Europe, uncertainties surrounding future economic developments are likely to persist. Accordingly, the Group does not expect a rapid recovery. However, the outlook for the agricultural machinery market in the short and medium term continues to be positive.

A redesigned Group website went online today. You can visit us at the new domain of [www.bucherindustries.com](http://www.bucherindustries.com).

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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](http://www.bucherindustries.com) for further information.