

Press release

Niederweningen, 16 March 2011

Bucher Industries grows operating profit by 36%

The Group significantly improved profitability last year, increasing operating profit, excluding prior year impairment charges, by 36% to CHF 151 million and the operating profit margin from 5.2% to 7.4%. Group profit for the year came in at CHF 98 million, up by CHF 122 million on the previous year. Generating strong free cash flow of CHF 181 million, the Group ended last year with net cash of CHF 19 million. The board of directors proposes that the annual general meeting raise the dividend by 50% to CHF 3.00 per registered share.

Recovery in demand Following the severe slump a year earlier, most of the Group's markets took a turn for the better in 2010. Demand in North America and Asia already recovered in the first half of the year, followed somewhat later by that in Western Europe. The southern hemisphere showed mixed trends, while demand in Eastern Europe remained at a low level. The extreme weakness of the euro and US dollar against the Swiss franc and Swedish krona affected the margins in exports and weighed significantly on the Group's financial statements in Swiss francs.

Group In a more favourable overall market environment, the Group grew order intake by 23.3% or currency-adjusted 30.4% to CHF 2 217 million. Sales were 5.1% down from the previous year's figure to CHF 2 034 million, but were a little higher excluding the impact of foreign currency translation. The acquisition and disposal had a slight negative impact of 0.3%. Agricultural machinery, hydraulic components and winemaking equipment benefited particularly from the recovery in demand. The order book grew by 30.7% to represent a backlog of 3.9 months' work based on 2010 sales. As a result of the restructuring programmes put in place in the previous year and highly disciplined spending, the Group generated operating profit of CHF 151 million. Excluding prior year impairment charges of

CHF 86 million, this was an increase of 35.5% despite the negative impact of foreign currency translation. The operating profit margin improved from 5.2% to 7.4%. Group profit for the year came in at CHF 98 million, up by CHF 122 million on the previous year.

Sound financial position The Group had a healthy balance sheet structure at the end of last year. The equity ratio rose slightly from 37.3% to 37.7%, and the return on equity was 12.7%. Operating free cash flow increased by CHF 19 million over the previous year's high level to CHF 202 million. Borrowings were reduced by CHF 94 million. With net cash of CHF 19 million and high cash and liquid assets of CHF 548 million, the Group was in a very sound financial position.

Kuhn Group benefited from the global rebound in demand for modern agricultural machinery. Demand picked up for hay and forage harvesting equipment and tillage machinery in Europe and recovered for all product groups in the USA, while remaining at the year-earlier level in Brazil. Order intake rose by 32.7% or currency-adjusted 41.9% to CHF 976 million. Sales were down 10.2% or currency-adjusted 4.2% year on year to CHF 851 million, while the order book grew by 45.0% or currency-adjusted 56.5% to CHF 357 million. Operating profit improved by 10.0% from the year-earlier figure to CHF 78 million, significantly driven by good capacity utilisation and the division's high cost awareness. In February 2011, the division acquired a 24% interest in German-based Rauch Landmaschinen GmbH, reinforcing its established collaboration in fertiliser spreaders and seed drills.

Bucher Municipal grew its market share and held up well in an environment that saw a market contraction of around 30% over the past two years, with mounting competitive pressure. The division's order intake rose by 2.6% to CHF 381 million, up 6.1% excluding the impact of foreign currency translation and the disposal. Sales amounted to CHF 373 million, dropping by 3.5% or currency-adjusted 2.1%, while the order book grew by 9.0% year on year to CHF 89 million. Despite the decline in sales and excluding prior year restructuring costs of CHF 10 million, Bucher Municipal increased operating profit by CHF 2 million to CHF 27 million. Exports by the plant in the UK benefited from the low exchange rate of the

British pound, while the strong Swiss franc dampened exports from Switzerland. The operational measures taken mitigated the heavy pressure on margins.

Bucher Hydraulics capitalised on the strong momentum seen in its main markets during the first half of the year, which moderated to a sustainable level in the latter six months. Order intake increased by 39.8% or currency-adjusted 46.6% from the year-earlier level to CHF 387 million. Sales were up 16.1% or currency-adjusted 21.7% to CHF 371 million. The order book returned to a normal level of CHF 63 million. The division almost tripled operating profit to CHF 37 million, benefiting from good capacity utilisation at its manufacturing facilities and from the cost-reduction measures put in place a year earlier. The two plants in Switzerland felt the impact of the strong Swiss franc in their exports.

Emhart Glass still suffered severely last year from the repercussions of the economic downturn in its late-cycle business. The level of capital spending in the market for glass container manufacturing and inspection machinery reached a ten-year low, with project activity only picking up in the second half of the year. Order intake grew by 22.7% or currency-adjusted 34.0% to CHF 285 million. This figure does not include the major Indian contract worth some CHF 40 million which was recognised in February 2011. Sales fell by 14.6% or currency-adjusted 6.7% to CHF 259 million. The division continued to streamline its structures and closed down the plant in Italy, incurring restructuring costs of CHF 5 million. With two main manufacturing facilities located in Sweden, its profitability was significantly impacted by the 13% surge in the value of the Swedish krona against the euro. As a result, operating profit was only just above break-even point at CHF 3 million.

Bucher Specials The three independent businesses grouped in Bucher Specials turned in a mixed performance last year. Winemaking equipment performed well, strongly driven by product innovations and the European subsidy programme, and the Swiss distributorship for tractors and agricultural machinery enjoyed steady demand. In contrast, fruit juice processing equipment experienced a sharp decline as capital spending was dampened by high levels of fruit juice concentrate inventories, coupled with persistently low market prices and excessive

capital investment in previous years. On balance, Bucher Specials' sales declined by 0.4% to CHF 187 million, but increased by 3.4% excluding the impact of foreign currency translation. Order intake grew by 3.3% or currency-adjusted 7.3% year on year to CHF 188 million. Operating profit fell by 14.0% to CHF 9 million due to the weak level of orders for fruit juice equipment. In February this year, Sutter wine presses were acquired from the Swiss-based Filtrox Group, together with global spare parts and service business.

Outlook for 2011 Bucher Industries expects Kuhn Group and Bucher Hydraulics to continue their positive performance, with Emhart Glass enjoying strong demand. The Group anticipates that Bucher Municipal will face another market contraction due to the austerity programmes in the public sector. The Bucher Specials segment should benefit from the ongoing good trend in wine production and recovering demand for fruit juice processing equipment. The good growth and earnings prospects may be adversely affected by the impact of foreign currency movements. Overall, the Group expects to increase sales and profit if exchange rates remain stable.

Higher dividend In view of the Group's results and the outlook for 2011 and to maintain a consistent dividend policy, the board of directors proposes that the annual general meeting on 14 April 2011 raise the dividend by 50% to CHF 3.00 per registered share.

2011 annual general meeting The annual general meeting of Bucher Industries AG will be held at 4.00 p.m. on 14 April 2011 at the Mövenpick Hotel in Regensdorf. Shareholders registered with voting rights in the share register on 8 April 2011 are entitled to attend the general meeting. The board of directors proposes that the general meeting re-elect Ernst Bärtschi to the board for a further three-year term and elect Michael Hauser as a new director, also for a three-year term. Having reached the age limit, Thomas W. Hauser will retire from the board of directors at the forthcoming annual general meeting. Notice of the meeting will be mailed to shareholders on 21 March 2011. The dividend will be paid from 21 April 2011.

The Bucher Industries annual report can now be downloaded from the Internet at www.bucherind.com, where the notice of the annual general meeting will be published from 21 March 2011. The printed annual report will be available from 25 March 2011.

Contact

Philip Mosimann, CEO

Roger Baillod, CFO

Phone +41 43 815 80 88

E-mail: media@bucherind.com

www.bucherind.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 currently include specialised agricultural machinery, municipal vehicles, hydraulic components, manufacturing equipment for the glass container industry, and wine and fruit juice production equipment. Bucher Industries' shares are traded on the SIX Swiss Exchange (SIX: BUCN). More information can be found at www.bucherind.com.

Group key figures

CHF million	2010	2009	% change	
				Adjusted for currencies and acquisitions
Order intake	2 216.5	1 797.4	23.3	30.3
Net sales	2 033.7	2 142.1	-5.1	0.4
Order book	663.0	507.3	30.7	38.4
Operating profit (EBITDA) As % of net sales	223.9 11.0%	189.7 8.9%	18.0	
Operating profit (EBIT) before impairment As % of net sales	151.4 7.4%	111.7 5.2%	35.5	
Operating profit (EBIT) As % of net sales	151.4 7.4%	25.8 1.2%	486.8	
Net financial items	-10.8	-18.8	-42.6	
Income tax expense	-42.9	-31.4	36.6	
Profit for the year As % of net sales	97.7 4.8%	-24.4 -1.2%	n/a	
Earnings per share in CHF	9.53	-2.60	n/a	
Number of employees at 31 December	7 899	7 183	10.0	9.7
Average number of employees during year	7 639	7 618	0.3	0.2

Group balance sheet at 31 December

CHF million	2010	%	2009	%
Assets				
Cash and cash equivalents	484.3	24.4	437.2	20.6
Short-term investments	64.1	3.2	68.0	3.2
Receivables	401.8	20.3	468.9	22.1
Inventories	451.3	22.7	485.2	22.8
Non-current assets	583.4	29.4	665.2	31.3
Total assets	1 984.9	100.0	2 124.5	100.0
Liabilities and equity				
Current liabilities	646.0	32.5	711.2	33.5
Non-current liabilities	591.2	29.8	620.8	29.2
Equity	747.7	37.7	792.5	37.3
Total liabilities and equity	1 984.9	100.0	2 124.5	100.0

Division key figures
Kuhn Group

CHF million	2010	2009	% change
Order intake	976.1	735.4	32.7
Net sales	851.2	948.4	-10.2
Order book	356.8	246.0	45.0
Operating profit (EBITDA) As % of net sales	113.1 13.3%	109.4 11.5%	3.4
Operating profit (EBIT) before impairment As % of net sales	78.2 9.2%	71.1 7.5%	10.0
Operating profit (EBIT) As % of net sales	78.2 9.2%	7.4 0.8%	956.8
Number of employees at 31 December	3 593	3 152	14.0

Bucher Municipal

CHF million	2010	2009 ¹⁾	% change
Order intake	380.6	371.0	2.6
Net sales	373.0	386.6	-3.5
Order book	88.6	81.3	9.0
Operating profit (EBITDA) As % of net sales	35.2 9.4%	22.9 5.9%	53.7
Operating profit (EBIT) As % of net sales	27.3 7.3%	15.0 3.9%	82.0
Number of employees at 31 December	1 334	1 318	1.2

¹⁾ Excluding Bucher Landtechnik (transferred to Bucher Specials)

Bucher Hydraulics

CHF million	2010	2009	% change
Order intake	386.7	276.7	39.8
Net sales	371.4	319.8	16.1
Order book	62.9	45.6	37.9
Operating profit (EBITDA) As % of net sales	55.7 15.0%	33.9 10.6%	64.3
Operating profit (EBIT) before impairment As % of net sales	36.9 9.9%	13.7 4.3%	169.3
Operating profit (EBIT) As % of net sales	36.9 9.9%	-8.5 -2.7%	n/a
Number of employees at 31 December	1 544	1 317	17.2

Emhart Glass

CHF million	2010	2009	% change
Order intake	285.2	232.4	22.7
Net sales	259.3	303.7	-14.6
Order book	109.7	91.5	19.9
Operating profit (EBITDA) before restructuring As % of net sales	16.1 6.2%	21.3 7.0%	-24.4
Operating profit (EBIT) before restructuring As % of net sales	8.0 3.1%	12.2 4.0%	-34.4
Operating profit (EBIT) As % of net sales	3.0 1.2%	12.2 4.0%	-75.4
Number of employees at 31 December	874	871	0.3

Bucher Specials

CHF million	2010	2009	
Order intake	187.9	181.9	3.3
Net sales	187.0	187.7	-0.4
Order book	45.0	42.9	4.9
Operating profit (EBITDA) As % of net sales	11.0 5.9%	12.4 6.6%	-11.3
Operating profit (EBIT) As % of net sales	8.6 4.6%	10.0 5.3%	-14.0
Number of employees at 31 December	535	506	5.7