

Press release

Niederweningen, 1 February 2010

Performance stabilised at a low level

Bucher Industries was severely affected by the economic downturn last year. Sales decreased by 23% to CHF 2 142 million, down 19% excluding the impact of currency movements or 29% excluding acquisitions. Order intake fell by 36% to CHF 1 797 million, and the order book declined by 40% year on year to CHF 507 million. Compared with 2008 and excluding acquisitions, the Group reduced manpower by 1 444 full-time equivalents or 17%.

The economic crisis had a severe adverse effect on performance in all divisions of Bucher Industries. Sales fell by 23.2% or currency-adjusted 18.9% to CHF 2 142.1 million. Acquisitions had an impact of 5.6%. Order intake dropped by 35.6% to CHF 1 797.4 million and the order book was down from CHF 843.4 million to CHF 507.3 million. The financial crisis and accompanying credit crunch impacted all regions and brought capital spending to a virtual halt, especially in Eastern Europe. Producers' excess capacities and high inventories held by customers and in the distribution channels severely dampened capital spending in the main markets served by Bucher Industries. Only in the fourth quarter of the year did demand stabilise at a low level and show a few signs of a slight recovery. The Group responded quickly to the slowdown with appropriate measures to cut costs and optimise structures. The structural downsizing entailed the closure of smaller manufacturing facilities. Manpower was reduced with a judicious eye to preserving expertise, maintaining innovative strength and being ready to embrace the next upturn. Compared with 2008 and excluding acquisitions, the Group had to cut altogether 1 444 full-time equivalent jobs or 17.2% of its manpower.

Kuhn Group generated sales of CHF 948.4 million with specialised agricultural machinery, down 14.2% or currency-adjusted 8.9%. The baler and sprayer acquisitions contributed 13.5% of sales. Order intake fell by 39.9% to CHF 735.4 million because of the farmers' sharp cuts in capital spending, cancellations of orders placed the year before and high inventories held by importers and dealers. During the year, the division succeeded in largely aligning inventory levels throughout the value chain to the lower demand. With its flexible cost structure, Kuhn Group managed to reduce manpower, excluding acquisitions, by 18.7% or 665 full-time equivalents without incurring additional costs.

Bucher Municipal reported a decrease of 21.9% or currency-adjusted 16.6% in sales of municipal vehicles to CHF 452.1 million. Order intake declined less sharply by 17.4% to CHF 436.5 million. Late in the year, demand stabilised at this lower level. The division cut costs and adapted its structures to the changed conditions, closing down the German truck mounted sweeper manufacturing plant in Hanover and transferring these operations to the main facility in Niederweningen, Switzerland. At the same time, it accelerated the expansion of the low-cost assembly and component plant in Latvia with total capital investments of CHF 6 million planned for 2010. While increasing competitiveness, these measures entailed one-off restructuring costs of CHF 10 million last year. In total, Bucher Municipal reduced manpower by 11.5% or 178 full-time equivalents.

Bucher Process generated sales of CHF 122.0 million, a year-on-year decrease of 37.5% or currency-adjusted 35.1% primarily due to the absence of major projects. Order intake was down 30.6% on the previous year at CHF 116.4 million. The weak demand for winemaking equipment only picked up in the second half of the year after the peak season when the subsidies announced by the European Union began to take hold. Sales of fruit juice equipment slumped because of the lack of funds, high inventories of apple juice concentrate and the concentrate producers' excess capacities. The division closed down two smaller plants for winemaking equipment, one in France and the other in Italy, and transferred their operations to its main French plant in Chalonnes-sur-Loire. Manpower was reduced by 11.7% or 61 full-time equivalents.

Bucher Hydraulics was particularly affected by the economic downturn in its operations as a supplier of hydraulic system solutions. Sales dropped by 35.7% to CHF 319.8 million, down 34.0% excluding the impact of currency movements and 37.1% excluding acquisitions. Order intake slumped to CHF 276.7 million, a decrease of 41.5% additionally exacerbated by order cancellations at the beginning of the year. In comparison with the official VDMA (German Engineering Federation) statistics, Bucher Hydraulics experienced less of a decline in sales and order intake, demonstrating the division's excellent market position. The division took incisive measures to adjust costs while ensuring supply capability, and reduced manpower by 20.9% or 347 full-time equivalents.

Emhart Glass was severely affected by the global economic downturn due to the high capital intensity of the glass container industry. Sales fell by 27.4% or currency-adjusted 23.6% to CHF 303.7 million. Order intake was 41.7% below the high year-earlier level at CHF 232.4 million. With the abrupt drop in demand for glass containers and excess capacities, inventories held by the glass container manufacturers swelled. This market situation made production conditions extremely difficult because regular production planning kept being disrupted considerably by order cancellations and deferrals. In the second half of the year, the otherwise stable spare parts and service business shrank slightly as a result of the lower production capacity utilisation rates in glassworks. The division reduced its cost structure to the 2006 level despite the substantial capital investments made in Malaysia and the USA over the past years. Manpower in manufacturing and overhead operations was reduced by 18.1% or 193 full-time equivalents.

New management structure The Group put a new management structure in place from 1 January 2010. The businesses for winemaking equipment (Bucher Vaslin), fruit juice processing equipment (Bucher Foodtech), drying systems for the food industry and sludge dewatering systems (Bucher Drytech) have been grouped together with the Swiss distributorship for tractors and agricultural machinery (Bucher Landtechnik) as independent businesses within the new Bucher Specials segment. The Group made this move to give more weight to these operations and sharpen their focus on the specific needs of the different customer

segments. Bucher Specials is headed by CEO Philip Mosimann. Jean-Pierre Bernheim, a group management member, is heading Bucher Vaslin and presiding over the steering committee to expand the new line of business in sludge dewatering equipment. Managing directors Hartmut Haverland (Bucher Foodtech and Bucher Drytech) and Jürg Minger (Bucher Landtechnik) will now report to Stefan Düring, head of group development.

Group's 2009 results In view of the operating performance presented and cost savings generated, all the divisions should report an operating profit before impairment of intangible assets. The Group estimates that the necessary year-end impairment charges for intangible assets of Kuhn Group and Bucher Hydraulics will total CHF 75 million to CHF 95 million. Despite these impairment charges, the Group expects to report an operating profit.

Outlook for 2010 The Group does not anticipate a significant improvement in economic conditions and expects weak demand to continue at a low level during the first half of 2010. A slight recovery is possible in the second half of the year. Excluding the 2009 impairment charges, the Group expects sales, operating profit and net profit for 2010 to be in the region of last year.

2009 annual general meeting The annual general meeting will be held at 4.00 p.m. on 15 April 2010 at the Hotel Mövenpick in Regensdorf. Notice of the meeting will be mailed on 19 March 2010. Shareholders' requests for additions to the agenda must reach Bucher Industries AG in writing by 3 March 2009, together with the proposed motions and proof of ownership of the required shares representing a total par value of at least CHF 20 000. The closing date of the share register for the right to attend the annual general meeting will be 9 April 2010. The dividend will be paid from 20 April 2010.

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Simply great machines

In 2007, Bucher Industries celebrated its 200th anniversary commemorating its successful evolution from a blacksmith's shop to 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, wine and fruit juice production equipment, hydraulic components, and manufacturing equipment for the glass container industry. 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	2009	2008	% Change		
				Adjusted for currencies	Adjusted for currencies and acquisitions
Order intake	1 797.4	2 791.9	-35.6	-32.0	-37.4
Kuhn Group	735.4	1 224.0	-39.9	-35.8	-47.6
Bucher Municipal	436.5	528.4	-17.4	-11.9	-11.9
Bucher Process	116.4	167.7	-30.6	-27.8	-28.6
Bucher Hydraulics	276.7	472.9	-41.5	-40.2	-41.7
Emhart Glass	232.4	398.9	-41.7	-38.7	-38.7

Net sales	2 142.1	2 788.9	-23.2	-18.9	-24.8
Kuhn Group	948.4	1 105.6	-14.2	-8.9	-23.0
Bucher Municipal	452.1	579.1	-21.9	-16.6	-16.6
Bucher Process	122.0	195.2	-37.5	-35.1	-35.5
Bucher Hydraulics	319.8	497.0	-35.7	-34.0	-35.4
Emhart Glass	303.7	418.3	-27.4	-23.6	-23.6

Order book	507.3	843.4	-39.9	-36.8	-40.8
Kuhn Group	246.0	432.2	-43.1	-40.3	-48.1
Bucher Municipal	91.0	114.5	-20.5	-14.9	-14.9
Bucher Process	33.2	40.1	-17.3	-14.3	-14.3
Bucher Hydraulics	45.6	85.4	-46.6	-45.2	-45.2
Emhart Glass	91.5	171.2	-46.6	-43.8	-43.8

Employee numbers					
At 31 December	7 183	8 373	-14.2		
Average during the year	7 618	8 176	-6.8		
Excl. acquisitions, at 31 December	6 929	8 373	-17.2		
Excl. acquisitions, average during the year	7 311	8 176	-10.6		