

Press release

Niederweningen, 10 August 2010

Noticeable first half recovery

Bucher Industries increased order intake by 23% in the first half of 2010 to CHF 1 010 million. Sales declined by 12% to CHF 1 041 million, while operating profit was up 21% from the year-ago level to CHF 71 million. Due to the adverse effect of foreign exchange losses on finance income, profit for the period improved only slightly by 4% to CHF 43 million. The Group confirms the outlook for 2010.

In the first half of 2010, the high levels of debt in industrial countries raised some doubts about the still fragile economic recovery, and the general economic climate remained unstable. The massive weakness of the euro and other main currencies against the Swiss franc weighed on the Group's key operating figures. The Group managed to mitigate adverse effects of currency fluctuations, supported by its strong presence with manufacturing facilities in the euro zone and the USA, coupled with systematic hedging of exchange rates.

Group In the first half of 2010, demand recovered from last year's very low levels in the main markets in which Bucher Industries operates. Order intake was up 23.3% or currency-adjusted 26.1% to CHF 1 010.0 million. Sales did not yet reflect this positive trend because the order book going into this year had been CHF 336.1 million lower. As a result, sales were 11.7% or currency-adjusted 9.7% below the same period last year at CHF 1 040.7 million. Operating profit grew by 21.3% to CHF 71.2 million. This good performance was driven by the lower cost base achieved last year. With finance income down by CHF 9.4 million from the year-ago figure to CHF 1.6 million due to the adverse effect of foreign exchange losses, while tax expense remained virtually unchanged, profit for the period was up 3.6% to CHF 43.3 million. The equity ratio rose slightly from the beginning of the year to 37.7%, and net debt improved significantly by CHF 212.1 million compared with the year-ago level, increasing by CHF 37.6 million versus the year end to CHF 155.7 million for seasonal reasons.

Kuhn Group In Europe, farmers' income continued to decline. Low prices of agricultural produce, especially for milk, and discussions about government austerity measures severely dampened capital spending. The East European markets remained weak, except in Poland. In contrast, the North American market bottomed out at the beginning of the year. Pricing pressure was heightened by competitors aggressively reducing excessive inventories. Nevertheless, Kuhn Group's order intake reached CHF 376.6 million, an increase of 36.1% or currency-adjusted 39.7% over the low year-ago level impacted by cancellations. Sales were 17.2% or currency-adjusted 14.7% below the same period last year at CHF 497.2 million. Despite the unfavourable euro exchange rates against the Swiss franc, operating profit grew by 8.7% to CHF 44.9 million, improving the EBIT margin from 6.9% to 9.0%.

Bucher Municipal In a market that contracted by around 20% since the beginning of the year, the division held its ground well, underpinned by its strong market position, and increased order intake by 4.4% or currency-adjusted 3.3% to CHF 186.1 million. Sales declined by 3.6%, or 2.7% excluding the disposal, to CHF 171.6 million. With last year's cost savings now taking hold, operating profit grew by 43.9% to CHF 9.5 million, lifting the EBIT margin from 3.7% to 5.5%. High levels of national debt and austerity measures announced in European countries did not yet impact business performance. Expansion of the manufacturing and assembly plant in Latvia proceeded as planned. The division focused its winter maintenance business on series-produced spreaders and snow ploughs, selling its project business for airport snow sweepers and Rolba snow blowers on 1 May 2010.

Bucher Hydraulics Last year's heavy slump was followed by an unexpectedly strong rebound in the first half of 2010 in the main markets of Europe, the USA and Asia. This is probably connected, at least in part, with last year's destocking by customers. With its ability to respond flexibly, the division capitalised on this turnabout and increased sales by 13.0% or currency-adjusted 16.2% to CHF 193.1 million. Order intake rose by 53.9% over the year-ago level to CHF 206.8 million, allowing the division to stop short-time working except in Italy and Canada. Driven by the high capacity utilisation and volume growth, operating profit improved from CHF 10.4 million to CHF 24.1 million, doubling the EBIT margin year on year

from 6.1% to 12.5%. High growth rates were recorded in most market segments, in particular construction equipment and materials handling. The division primarily employed temporary manpower to cope with the increased volume.

Emhart Glass During the reporting period, the late-cycle business with machinery for glass container manufacturing was still greatly affected by the downturn. Demand only picked up again somewhat towards the end of the first half of 2010, mainly in Asia and China. Nevertheless, Emhart Glass increased order intake by 3.0% or currency-adjusted 8.1% to CHF 139.1 million. Given the low order book at the start of the year, sales dropped sharply by 29.5% to CHF 104.3 million, due in part to customers' requests for deliveries to be postponed to the third quarter. Operating performance was adversely affected by the very low capacity utilisation and provisions of CHF 5.3 million for structural adjustments, resulting in an operating loss of CHF 7.8 million. The provisions were made to cover costs of relocating production of glass forming machines from Italy to Malaysia and closing down the Italian manufacturing facility. In addition, purchasing of select components will be transferred from Europe to Malaysia. The state-of-the-art facility for manufacturing complex and critical components will remain in Sweden, however. These measures will improve the division's competitiveness sustainably by enhancing cost structures and market proximity.

Bucher Specials The three independent businesses grouped in Bucher Specials showed a mixed performance in the reporting period. The good performance in winemaking equipment and the Swiss distributorship for agricultural machinery more than compensated for the sharp slowdown in fruit juice equipment. Overall, Bucher Specials increased order intake by 7.1% or currency-adjusted 9.1% to CHF 101.4 million. Sales were down 7.8% on the same period last year at CHF 76.5 million. For seasonal reasons, an operating loss of CHF 1.6 million was posted. The acquisition of the fruit juice processing operations of Eschenz-based Unipektin Engineering AG, Switzerland, was completed at the beginning of August 2010.

Outlook for 2010 The general economic climate is still unstable, and the horizon for forecasting future prospects and business performance is very limited. Kuhn Group

anticipates a rather difficult second half of the year and expects slightly lower sales but somewhat better operating profit, excluding the 2009 impairment charges. Bucher Municipal anticipates a slight slowdown in demand in the second half of the year and expects full-year sales to be at approximately last year's level, with operating profit up, excluding the 2009 restructuring costs and the Swiss distributorship for agricultural machinery. Without the 2009 impairment charges, Bucher Hydraulics anticipates a very significant increase in sales and operating profit. Emhart Glass should almost match last year's sales and still generate an operating profit despite restructuring costs. Bucher Specials anticipates that sales and operating profit will be at last year's level. Bucher Industries confirms the outlook for 2010 and expects sales, operating profit and net profit for the year to be in the region of last year, excluding the 2009 impairment charges of CHF 86 million.

Contact

Philip Mosimann, CEO

Roger Baillod, CFO

Phone +41 43 815 80 88

E-mail: media@bucherind.com

www.bucherind.com

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, 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

Income statement

CHF million	January- June 2010	January-June 2009	% change		
				Adjusted for currencies	Adjusted for currencies and the disposal
Order intake	1 010.0	819.0	23.3	26.1	26.3
Net sales	1 040.7	1 178.9	-11.7	-9.7	-9.6
Order book	462.2	492.5	-6.2	-3.6	-2.7
Operating profit before depreciation and amortisation (EBITDA)	107.8	97.2	10.9		
<i>as % of net sales</i>	<i>10.4%</i>	<i>8.2%</i>			
Operating profit (EBIT)	71.2	58.7	21.3		
<i>as % of net sales</i>	<i>6.8%</i>	<i>5.0%</i>			
Profit for the period	43.3	41.8	3.6		
<i>as % of net sales</i>	<i>4.2%</i>	<i>3.5%</i>			
Earnings per share in CHF	4.30	4.20	2.4		
Number of employees at 30 June	7 687	7 646	0.5		
Average number of employees	7 450	8 113	-8.2		

Balance sheet

CHF million	30 June 2010	%	30 June 2009	%
Assets				
Cash and cash equivalents	373.1	18.5	150.6	6.8
Short-term investments	60.6	3.0	68.3	3.1
Receivables	484.4	23.9	578.7	26.2
Inventories	472.2	23.4	621.1	28.2
Non-current assets	629.5	31.2	787.4	35.7
Total assets	2 019.8	100.0	2 206.1	100.0
Liabilities and equity				
Current liabilities	660.3	32.7	835.9	37.9
Non-current liabilities	597.9	29.6	492.1	22.3
Equity	761.6	37.7	878.1	39.8
Total liabilities and equity	2 019.8	100.0	2 206.1	100.0

Segment key figures

CHF million	January-June 2010	January-June 2009		% change	
				Adjusted for currencies	Adjusted for curren- cies and the disposal
Order intake					
Kuhn Group	376.6	276.7	36.1	39.7	39.7
Bucher Municipal	186.1	178.2	4.4	3.3	4.0
Bucher Hydraulics	206.8	134.4	53.9	58.2	58.2
Emhart Glass	139.1	135.0	3.0	8.1	8.1
Bucher Specials	101.4	94.7	7.1	9.1	9.1

Sales					
Kuhn Group	497.2	600.8	-17.2	-14.7	-14.7
Bucher Municipal	171.6	178.1	-3.6	-5.6	-4.6
Bucher Hydraulics	193.1	170.9	13.0	16.2	16.2
Emhart Glass	104.3	147.9	-29.5	-26.0	-26.0
Bucher Specials	76.5	83.0	-7.8	-6.5	-6.5

Order book					
Kuhn Group	116.2	137.0	-15.2	-12.0	-12.0
Bucher Municipal	97.1	95.6	1.6	0.1	5.0
Bucher Hydraulics	60.2	50.5	19.2	22.8	22.8
Emhart Glass	121.8	149.3	-18.4	-14.4	-14.4
Bucher Specials	66.9	60.1	11.3	14.3	14.3

Operating profit (EBIT)					
Kuhn Group	44.9	41.3			
<i>as % of net sales</i>	<i>9.0%</i>	<i>6.9%</i>			
Bucher Municipal	9.5	6.6			
<i>as % of net sales</i>	<i>5.5%</i>	<i>3.7%</i>			
Bucher Hydraulics	24.1	10.4			
<i>as % of net sales</i>	<i>12.5%</i>	<i>6.1%</i>			
Emhart Glass	-7.8	5.6			
<i>as % of net sales</i>	<i>n.a</i>	<i>3.8%</i>			
Bucher Specials	-1.6	0.3			
<i>as % of net sales</i>	<i>n.a</i>	<i>0.4%</i>			

Employee numbers					
Kuhn Group	3 434	3 480	-1.3		
Bucher Municipal	1 319	1 367	-3.5		
Bucher Hydraulics	1 468	1 280	14.7		
Emhart Glass	864	935	-7.6		
Bucher Specials	583	565	3.2		