

## Press release

Niederweningen, 29 October 2009

### Order intake stabilised at a low level

**Bucher Industries generated sales of CHF 1 621 million for the first nine months of 2009, a decline of 24% or currency-adjusted 18%. The impact of acquisitions was 6%. Order intake fell by 41% to CHF 1 289 million from the high figure in the same period last year, and the order situation stabilised at a low level. Excluding acquisitions, the Group has reduced manpower by 17% since the beginning of the year.**

Overall, during the third quarter, the global economy showed neither improvement nor deterioration in the markets served by Bucher Industries. Demand remained at a very low level, and the adverse currency effects and ever-restrictive lending practices continued. With some customers well on the way to depleting their inventories, it would appear that the downturn has bottomed out.

**Group** All the divisions were affected by the very strained economic situation that still prevails. Bucher Industries posted a decline of 23.5% or currency-adjusted 18.0% in sales during the first nine months of 2009. The impact of acquisitions was 6.1%. Order intake reached CHF 1 289.3 million, down 40.7% from the strong year-ago period. Cost savings were achieved in all the Group's operations. In addition, the financing structure was further optimised by the placement of a CHF 200 million bond with a maturity of five years and a coupon of 3<sup>1</sup>/<sub>8</sub>% in the third quarter.

**Kuhn Group** The division generated CHF 762.1 million in sales of specialised agricultural machinery, down 8.5% from the high figure in the same period last year or 1.4% excluding currency effects and 23.5% excluding acquisitions. Order intake fell by 43.9% or currency-adjusted 38.5% to CHF 501.1 million. In addition to the generally weak economic conditions,

performance was also impacted by the sharp drop in milk and meat prices. Given the farmers' lower income, dealers' high inventories and the ongoing credit crunch, a rapid recovery cannot be expected in the weak markets in Western and Eastern Europe or the USA. It appears that the order situation has stabilised at a low level. Excluding the baler acquisition, the division has reduced manpower by 18% since the beginning of the year.

**Bucher Municipal** Bucher Municipal's sales dropped by 25.7% or currency-adjusted 18.4% to CHF 315.4 million. Order intake reached CHF 318.5 million, down 26.6% from the same period last year. Responding to the fall in demand, the division announced on 16 September 2009 that it would transfer assembly operations from Germany to Switzerland, while expanding component manufacturing in Latvia. These measures will create a more competitive structure and increase operating efficiency. A redundancy programme has been agreed with the employee representatives in Germany. The total costs of the restructuring project, including the redundancy programme, will be about CHF 10 million. Bucher Municipal has reduced manpower by 10% since the beginning of the year.

**Bucher Process** Without the large projects carried out in the same period last year, the division saw sales drop by 43.0% or currency-adjusted 40.0% to CHF 95.3 million. Order intake was 35.0% below the year-ago period at CHF 86.7 million. Operations with fruit juice processing equipment felt the effects of high inventories of apple juice concentrate worldwide and the resulting price collapse. This business unit started working short time in the third quarter. Operations with winemaking equipment felt the impact of customers holding back capital spending due to the early announcement of subsidies from the European Union. These subsidies are expected to trigger total investments of around EUR 1.5 billion in the period from 2010 to 2013, so the prospects in this sector look bright. To reduce costs, production was transferred from two minor Italian and French plants to the main Chalonnes plant in France during the third quarter. Since the beginning of the year, the measures taken have decreased manpower by 10%.

**Bucher Hydraulics** The division generated CHF 243.6 million in sales of custom hydraulic system solutions. Despite this decline of 37.6%, or 36.0% excluding currency effects and

38.9% excluding acquisitions, the division was able to defend its market positions. Order intake decreased by 47.9% to CHF 203.1 million. The market segments worst hit by the slowdown were materials handling, construction equipment and industrial hydraulics. For the first time since the economic crisis set in, the order intake and order book picked up again somewhat towards the end of the reporting period. The division therefore expects demand to stabilise or recover slightly. An end to customers' destocking is now in sight. All the main plants in Switzerland, Germany and Italy are on short-time working. In the first nine months of 2009, Bucher Hydraulics reduced manpower by 26%.

**Emhart Glass** The capacity utilisation of Emhart Glass customers continued to fall, dampening capital spending on glass container forming machines. At CHF 207.8 million, sales were 32.6% or currency-adjusted 28.0% below the same period last year. Order intake amounted to CHF 179.9 million, down 44.4% from the high year-ago figure. The spare parts business was least affected by the slowdown. With a trend reversal not yet in sight, the division started working short time at its manufacturing facilities in Sweden and the USA and initiated further measures to cut costs. Since the beginning of the year, the division has reduced manpower by 16%.

**Outlook for 2009** The outlook for this year remains difficult to predict and is affected by the sharp drop in demand seen in all the main markets served by Bucher Industries. The measures to reduce costs and capacities that have already been implemented and are ongoing are geared to continued weakness in demand. For the full year, the divisions are expected to post a decline in sales ranging between 10% and 40%. As a result of the incisive cost-cutting measures put in place, all the divisions should report an operating profit before impairment of intangible assets. At present, it is extremely hard to assess the medium-term performance outlook and thus calculate impairment of intangible assets. For the year end, the Group estimates the necessary impairment charges for intangible assets at CHF 50 million to CHF 100 million. Overall, the Group anticipates that full-year sales will be down by between 25% and 30% for 2009. Excluding impairment of intangible assets, the Group expects to report an operating and net profit for the year, albeit at a considerably lower level than last year.

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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](http://www.bucherind.com)

**Group key figures**

CHF million	Jan.-Sept. 2009	Jan.-Sept. 2008	% Change		
				Adjusted for currencies	Adjusted for currencies and acquisitions
<b>Order intake</b>	<b>1 289.3</b>	<b>2 174.8</b>	<b>-40.7</b>	<b>-36.2</b>	<b>-41.0</b>
Kuhn Group	501.1	893.8	-43.9	-38.5	-49.6
Bucher Municipal	318.5	433.8	-26.6	-19.6	-19.6
Bucher Process	86.7	133.4	-35.0	-31.8	-32.9
Bucher Hydraulics	203.1	390.0	-47.9	-46.9	-48.0
Emhart Glass	179.9	323.8	-44.4	-40.6	-40.6

<b>Net sales</b>	<b>1 621.3</b>	<b>2 118.5</b>	<b>-23.5</b>	<b>-18.0</b>	<b>-24.6</b>
Kuhn Group	762.1	833.2	-8.5	-1.4	-17.4
Bucher Municipal	315.4	424.2	-25.7	-18.4	-18.4
Bucher Process	95.3	167.2	-43.0	-40.0	-40.5
Bucher Hydraulics	243.6	390.4	-37.6	-36.0	-37.2
Emhart Glass	207.8	308.4	-32.6	-28.0	-28.0

<b>Order book</b>	<b>507.6</b>	<b>908.0</b>	<b>-44.1</b>	<b>-40.4</b>	<b>-42.6</b>
Kuhn Group	185.7	377.7	-50.8	-47.7	-52.2
Bucher Municipal	109.4	178.5	-38.7	-32.9	-32.9
Bucher Process	30.1	34.3	-12.2	-8.6	-13.3
Bucher Hydraulics	47.4	108.4	-56.3	-55.2	-56.9
Emhart Glass	135.0	209.1	-35.4	-31.1	-31.1

<b>Employee numbers</b>	<b>7 229</b>	<b>8 346</b>	<b>-13.4</b>		
Kuhn Group <sup>1)</sup>	3 229	3 510	-8.0		
Bucher Municipal	1 390	1 588	-12.5		
Bucher Process	469	541	-13.3		
Bucher Hydraulics <sup>2)</sup>	1 227	1 635	-25.0		
Emhart Glass	895	1 055	-15.2		

<sup>1)</sup> Impact of acquisitions: 422 full-time equivalents (12.0%)

<sup>2)</sup> Impact of acquisitions: 40 full-time equivalents (2.5%)