BUCHER

Interim report 2009

Key figures

Group

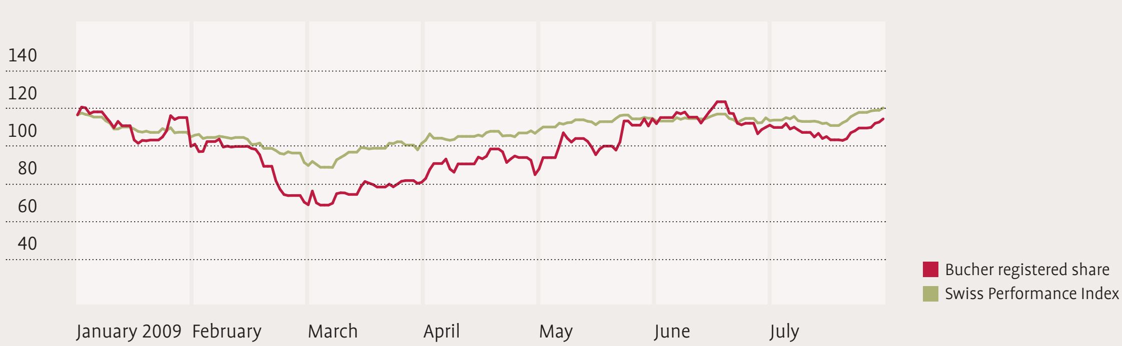
CHF million	January – June 2009	January – June 2008	% change
Order intake	819.0	1 382.8	– 40.8
Net sales	1 178.9	1 449.5	– 18.7
Order book	492.5	785.2	– 37.3
Operating profit before depreciation and amortisation (EBITDA)	97.2	163.0	– 40.4
As % of net sales	8.2%	11.2%	
Operating profit (EBIT)	58.7	132.0	– 55.5
As % of net sales	5.0%	9.1%	
Profit for the period	41.8	89.3	– 53.2
As % of net sales	3.5%	6.2%	
Earnings per share in CHF	4.20	8.97	– 53.2
Operating free cash flow	– 71.4	– 107.1	+ 33.3
Net operating assets (NOA), average	1 047.5	768.2	+ 36.4
Net debt[1]	– 367.8	– 144.6	– 154.4
Total assets	2 206.1	2 157.6	+ 2.2
Equity	878.1	868.1	+ 1.2
Equity ratio	39.8%	40.2%	
Average number of employees[2]	8 113	8 059	+ 0.7

Divisions

CHF million	Order intake January – June		Net sales January – June		Order book at 30 June		Operating profit (EBIT) January – June		Number of employees[2] at 30 June	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Kuhn Group	276.7	489.5	600.8	607.8	137.0	198.3	41.3	66.0	3 480	3 415
Bucher Municipal	211.2	282.0	215.5	281.9	100.9	169.8	10.5	16.1	1 414	1 573
Bucher Process	61.7	94.5	45.5	85.4	54.8	77.2	– 3.7	6.4	518	579
Bucher Hydraulics	134.4	266.7	170.9	270.9	50.5	102.5	10.4	38.4	1 280	1 619
Emhart Glass	135.0	250.1	147.9	206.4	149.3	237.4	5.6	16.1	935	1 051
Other/consolidation	–	–	– 1.7	– 2.9	–	–	– 5.4	– 11.0	19	17
Total	**819.0**	**1 382.8**	**1 178.9**	**1 449.5**	**492.5**	**785.2**	**58.7**	**132.0**	**7 646**	**8 254**

1) Excluding derivative financial liabilities since 1 January 2009
2) Expressed as full-time equivalents

Share price performance CHF



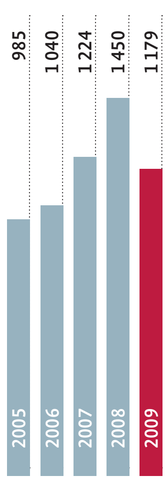
Sales down by 19%

Dear Shareholder,

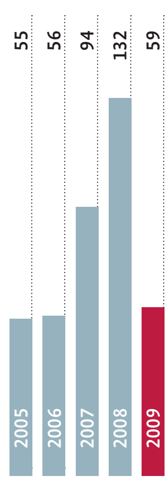
All market segments served by Bucher Industries were affected by the global economic slump during the first half of 2009. Sales slipped by 19% or currency-adjusted 13% to CHF 1 179 million, and order intake plunged by 41% to CHF 819 million. This decline is due to the credit crisis and aggressive destocking by our customers and throughout the value chain. Operating profit was CHF 59 million, falling by CHF 73 million year on year, while group profit for the period decreased by 53% to CHF 42 million. Bucher Industries expects considerably lower full-year sales, operating profit and net profit for 2009.

Massive economic downturn The global economic crisis that began in the fourth quarter of 2008 continued unabated through the first half of 2009, reaching all market segments served by Bucher Industries. Even the agricultural machinery sector, which had remained robust until the end of 2008, was hit hard. The banks' restrictive practices in lending to finance customers' projects, coupled with large movements in exchange rates, brought capital spending in Eastern Europe and Russia to a near halt. The main markets in Western Europe and North America did not escape the downturn either. With the abrupt reversal from the previous years of strong continuing growth to a worldwide recession, customers and the distribution organisations were left with excessive inventories. This additionally weakened demand and heightened the competitive pressure as inventories were sold off. Furthermore, substantial currency movements were unfavourable to the Swiss franc, in particular against the British pound and euro. To preserve expertise and resources, the Group responded judiciously and cut capacities selectively. Excluding acquisitions, the Group reduced manpower by 13% from the beginning of the year to the end of June 2009. This represents 409 permanent employees, 431 temporary workers, and 215 full-time equivalents through the introduction of short-time work. Despite the recession, Bucher Industries increased the number of trainees and apprentices by 14% compared with the same period last year.

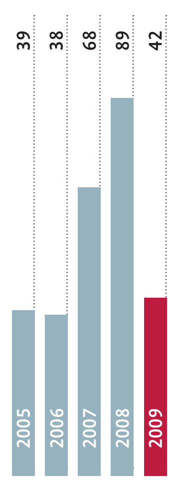
Net sales
CHF million



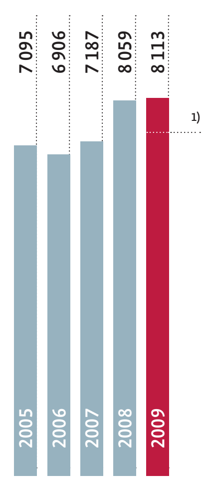
Operating profit (EBIT)
CHF million



Profit for the period
CHF million

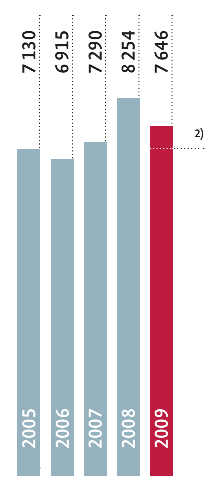


Average number
of employees



1) Adjusted for acquisitions
7 585

Number of emloyees
at 30 June



2) Adjusted for acquisitions
7 148

Declining performance All the divisions and regions were affected by the downturn, albeit to varying degrees. Bucher Industries posted an 18.7% decline in sales to CHF 1 178.9 million for the first half of 2009, a decrease of 12.7% when adjusted for currency fluctuations. Acquisitions had an impact of 7.7%. Order intake was additionally adversely affected by customers cutting back their high inventories and dropped by 40.8% to CHF 819.0 million. Excluding acquisition and currency effects, the order book shrank to CHF 509.1 million, down 35.2% compared with the same period last year. In the divisions, the decline in the order book ranged from 26% to 51%, with Bucher Hydraulics recording the largest decrease and Bucher Process the smallest. Operating profit was 55.5% lower year on year at CHF 58.7 million, while group profit for the period fell by 53.2% to CHF 41.8 million. The Group attached particular importance to ensuring liquidity and reduced not only capacities but also capital expenditure to an appropriate level looking into the future. Capital expenditure amounted to CHF 27.1 million versus CHF 65.1 million in the same period last year. Despite the poor economic conditions, expenditure on research and development was increased by 6.3% to CHF 38.8 million.

Secure financial position Equity grew by CHF 32.0 million during the first half of 2009 to CHF 878.1 million, with an equity ratio at 39.8%. Net debt rose by CHF 257.2 million to CHF 367.8 million compared with the year end 2008, due in particular to CHF 170.9 million for the acquisition of Kuhn-Geldrop, the dividend payment of CHF 45.2 million and the increase in working capital. The Group's liquidity and funding are ensured by long-term bank loans and committed credit facilities of about CHF 700 million.

Kuhn Group During the first half of 2009, farmers had to contend not only with the credit crunch but also with plummeting milk prices, which additionally curbed capital spending. This led to a shift in the product mix away from large batches of standardised hay harvesting machines to large agricultural machinery manufactured in small batches. The effects varied greatly from region to region. In particular, demand in the growth markets of Eastern Europe and the CIS came to a virtual halt. Farmers in the USA responded to the situation at once, triggering a drastic slump in demand for hay harvesting and feed mixing machinery. Too high preseason purchases and lower dealer sales caused inventories to swell and made it necessary to adjust production planning. Bolstered by the acquisitions, the division increased sales in local currencies by 6.2%, recording a slight decrease of 1.1% to CHF 600.8 million after translation into Swiss francs. Excluding acquisition and currency effects, sales were 11.6% lower than in the same period last year. Order intake dropped by 43.5% to CHF 276.7 million, down 52.0% when adjusted for currency fluctuations and acquisitions. Operating profit fell by 37.4% year on year to CHF 41.3 million. The integration of the acquired sprayer and baler operations progressed well. Sprayer sales benefited from the Kuhn dealer network, outpacing the year-ago period despite the poor economic conditions. Excluding the baler acquisition, Kuhn Group reduced manpower by 12% in the first half of 2009. The division is planning manufacturing requirements cautiously for the second half of the year to avoid excessive inventories in the supply chain.

Bucher Municipal Demand for municipal vehicles softened distinctly in the first half of 2009. The East European and Russian markets were worst affected. Private sweeper fleet operators held back on capital spending more than local authorities, which fortunately continued to invite tenders for a few major contracts. So far, government economic stimulus programmes have not had an impact on the local authorities' practices in requesting tenders and awarding contracts. As a result of the weaker market environment, sales decreased by 23.5% or currency-adjusted 15.0% to CHF 215.5 million. Order intake amounted to CHF 211.2 million, 25.1% below the same period last year. The markets for winter maintenance equipment in Europe and refuse collection vehicles in Australia remained practically stable and supported the division's performance. Operating profit was CHF 10.5 million, down 34.8% on the first half of 2008. Bucher Municipal has reduced manpower by more than 8% since the beginning of the year. As local government tax revenues are expected to decline, the municipal vehicle business is rather likely to slow down again in 2010. This means that more cost-cutting measures cannot be ruled out.

Bucher Process During the first half of 2009, operations with wine and fruit juice production equipment were largely characterised by the downturn and lack of follow-up orders for major projects. The division generated CHF 45.5 million in sales, a decrease of 46.7% or currency-adjusted 43.7%. Excluding the major contract recognised in the same period last year, sales were down 25.3% year on year. Order intake dropped by 34.7% to CHF 61.7 million. The European Union's subsidies for investments in wine production, which were announced at the end of 2008 but not yet released, had a negative impact in the first half of the year, especially in France. The EUR 600 million subsidy programme for the period 2010 – 2013 will trigger total investments of around EUR 1.5 billion. After a delay of about six months, it was finally released in June 2009. The division therefore expects to see a strong recovery in demand in all wine-growing regions across the European Union starting in 2010. Capital spending on fruit juice processing equipment was curbed by the still high inventories and low world market prices of apple juice concentrate. Bucher Process posted an operating loss of CHF 3.7 million, compared to a profit of CHF 6.4 million in the first half of 2008. To improve efficiency, the division closed down two minor plants for winemaking equipment in Italy and France and integrated these operations into the main French plant in Chalonnes. In its operations with sludge dewatering presses, the division received new orders and attracted more attention for its technology. The 5% reduction in manpower resulting from the closure of the two plants will take hold in the second half of the year.

Bucher Hydraulics As a supplier of custom hydraulic system solutions, the division was particularly exposed to the downturn in economic activity. All regions from the USA through Western Europe to China were hit almost equally. Of the key market segments, construction equipment suffered worst, while agricultural machinery was least affected. High inventories across the whole supply chain additionally exacerbated the slump in order intake. The destocking has not yet finished, but is expected to come to an end in the second half of the year. Bucher Hydraulics generated sales of CHF 170.9 million, a decrease of 36.9% or currency-adjusted 35.3%. Acquisitions had an impact of 1.3%. With order intake dropping by 49.6% to CHF 134.4 million from the year-ago level, the division outperformed the industry. Operating profit fell by 72.9% to CHF 10.4 million. The division responded to the downturn with selective lay-offs and by introducing short-time work. It pressed ahead with building up its presence in North America as planned and combined all operations in China at one plant near Shanghai. Manpower has been reduced by more than 20% since the beginning of the year.

Emhart Glass The division's performance was characterised by the considerable restraint in capital spending exercised by many customers, especially in Russia and Asia. As a consequence, some orders for new glass container forming machines were deferred, scaled back or cancelled. Sales amounted to CHF 147.9 million, down 28.3% or currency-adjusted 23.2% on the year-ago record high level. The robust spare parts business remained level with the same period last year. Order intake decreased by 46.0% to CHF 135.0 million. The division generated CHF 5.6 million in operating profit compared to CHF 16.1 million a year ago. Emhart Glass reduced its manufacturing capacities in Sweden and the USA, while adding to its portfolio of products in the lower and middle price segment and continuing to industrialise the manufacture of tempered glass containers in a continuous operation. In the first half of the year, the division reduced manpower by 12%.

Outlook for 2009 Forecasts for the current year remain extremely uncertain. Developments in lending practices to finance customers' investments and the effect of the high public sector deficits are still very difficult to gauge. The decline in demand in the principal markets served by Bucher Industries seems to have stabilised at a very low level. Capacities and costs will continue to be reduced accordingly in the second half of the year. Positive signals for Bucher Industries' operations would be a recovery in milk prices, an end to the destocking and relaxed lending practices. The medium-term outlook for these and other factors will determine any impairment charges on intangible assets at the year end. Kuhn Group expects lower sales and considerably reduced profitability for the current year. Bucher Municipal anticipates considerably lower sales and less profitability. Bucher Process expects to generate considerably lower sales and an operating profit, despite the seasonal mid-year loss.

Unlikely to see a trend reversal this year, Bucher Hydraulics believes that sales and operating profit will be at a considerably lower level. Emhart Glass anticipates considerably lower sales and reduced profitability. As a result, Bucher Industries expects sales, operating profit and net profit for 2009 to be significantly down on last year.

Niederweningen, 11 August 2009

Kurt E. Siegenthaler
Chairman of the board

Philip Mosimann
Chief executive officer

Consolidated financial statements

Consolidated balance sheet at 30 June 2009

	CHF million	30 June 2009	%	30 June 2008	%	31 December 2008	%
Assets	**Current assets**						
	Cash and cash equivalents	150.6	6.8	152.9	7.1	132.6	6.4
	Short-term investments	68.3	3.1	86.6	4.0	101.6	4.9
	Trade receivables	500.4	22.7	563.3	26.1	479.3	23.2
	Current Income tax assets	12.3	0.5	6.6	0.3	18.1	0.8
	Other receivables	66.0	3.0	70.9	3.3	80.4	3.9
	Inventories	621.1	28.2	600.1	27.8	609.0	29.5
	Total current assets	**1 418.7**	**64.3**	**1 480.4**	**68.6**	**1 421.0**	**68.7**
	Non-current assets						
	Long-term receivables	15.1	0.7	35.0	1.6	34.3	1.7
	Deferred tax assets	35.6	1.6	36.0	1.7	34.4	1.7
	Investments in associates	8.3	0.4	17.5	0.8	8.9	0.4
	Other financial assets	41.6	1.9	39.2	1.8	38.9	1.9
	Property, plant and equipment	418.9	19.0	398.4	18.5	399.2	19.3
	Intangible assets	267.9	12.1	151.1	7.0	130.9	6.3
	Total non-current assets	**787.4**	**35.7**	**677.2**	**31.4**	**646.6**	**31.3**
	Total assets	**2 206.1**	**100.0**	**2 157.6**	**100.0**	**2 067.6**	**100.0**
Liabilities	**Current liabilities**						
and equity	Financial liabilities	194.8	8.8	217.1	10.1	110.5	5.4
	Trade payables	232.2	10.5	351.2	16.3	288.3	13.9
	Customer advances	98.8	4.5	126.1	5.8	201.1	9.7
	Income tax liabilities	19.2	0.9	24.6	1.1	25.1	1.2
	Provisions	67.0	3.1	71.9	3.3	63.1	3.1
	Other liabilities	223.9	10.1	240.5	11.2	209.0	10.1
	Total current liabilities	**835.9**	**37.9**	**1 031.4**	**47.8**	**897.1**	**43.4**
	Non-current liabilities						
	Financial liabilities	391.9	17.7	167.0	7.7	234.3	11.4
	Deferred tax liabilities	57.1	2.6	41.2	1.9	47.8	2.3
	Retirement benefit obligations	21.7	1.0	26.5	1.2	21.5	1.0
	Provisions	17.1	0.8	15.7	0.7	15.0	0.7
	Other liabilities	4.3	0.2	7.7	0.5	5.8	0.3
	Total non-current liabilities	**492.1**	**22.3**	**258.1**	**12.0**	**324.4**	**15.7**
	Equity						
	Attributable to equity holders of Bucher Industries AG	868.0	39.3	859.3	39.8	835.8	40.4
	Attributable to minority interests	10.1	0.5	8.8	0.4	10.3	0.5
	Total equity	**878.1**	**39.8**	**868.1**	**40.2**	**846.1**	**40.9**
	Total liabilities and equity	**2 206.1**	**100.0**	**2 157.6**	**100.0**	**2 067.6**	**100.0**

Consolidated income statement for the six months ended 30 June 2009

CHF million		%		%
	January – June 2009		January – June 2008	
Net sales	**1 178.9**	**100.0**	**1 449.5**	**100.0**
Changes in inventories of finished goods and work in progress	– 31.5	– 2.7	42.2	2.9
Raw material and consumables used	– 607.6	– 51.5	– 819.1	– 56.5
Employment costs	– 295.7	– 25.1	– 333.4	– 23.0
Other operating income	6.6	0.5	6.4	0.4
Other operating expenses	– 153.5	– 13.0	– 182.6	– 12.6
Operating profit before depreciation and amortisation (EBITDA)	**97.2**	**8.2**	**163.0**	**11.2**
Depreciation	– 30.3	– 2.6	– 26.0	– 1.8
Amortisation	– 8.2	– 0.6	– 5.0	– 0.3
Operating profit (EBIT)	**58.7**	**5.0**	**132.0**	**9.1**
Share of result of associates	– 0.5	–	0.9	0.1
Finance costs	– 9.5	– 0.8	– 7.0	– 0.5
Finance income	11.0	0.9	0.1	–
Profit before tax	**59.7**	**5.1**	**126.0**	**8.7**
Income tax expense	– 17.9	– 1.6	– 36.7	– 2.5
Profit for the period	**41.8**	**3.5**	**89.3**	**6.2**
Attributable to equity holders of Bucher Industries AG	41.9		89.5	
Attributable to minority interests	– 0.1		– 0.2	
Basic earnings per share in CHF	4.20		8.97	
Diluted earnings per share in CHF	4.20		8.90	

Consolidated statement of comprehensive income

CHF million		
	January – June 2009	January – June 2008
Profit for the period	**41.8**	**89.3**
Net change in fair value of available-for-sale financial assets	0.1	– 1.0
Transfer to income statement	– 5.0	– 9.9
Income tax	1.7	3.8
Net change in fair value of available-for-sale financial assets, after tax	**– 3.2**	**– 7.1**
Currency translation differences	35.6	– 42.3
Other comprehensive income for the period, net of tax	**32.4**	**– 49.4**
Total comprehensive income for the period	**74.2**	**39.9**
Attributable to equity holders of Bucher Industries AG	74.1	40.4
Attributable to minority interests	0.1	– 0.5

Consolidated cash flow statement for the six months ended 30 June 2009

CHF million

	January – June 2009	January – June 2008
Cash flow from operating activities before changes in working capital and provisions	**74.2**	**106.8**
Change in provisions and retirement benefit obligations	– 2.2	– 0.6
Change in working capital	– 117.0	– 149.2
Net cash flow from operating activities	**– 45.0**	**– 43.0**
Purchases of property, plant and equipment	– 26.6	– 64.7
Proceeds from sale of property, plant and equipment	0.6	1.0
Purchases of intangible assets	– 0.5	– 0.4
Proceeds from sale of intangible assets	0.1	–
Purchases of short-term investments and financial assets	– 3.0	– 9.4
Proceeds from sale of short-term investments and financial assets	37.6	25.7
Acquisition of subsidiaries	– 170.9	– 128.9
Acquisition of associates	–	– 1.4
Net cash flow from investing activities	**– 162.7**	**– 178.1**
Change in treasury shares	0.3	0.9
Proceeds from long-term financial liabilities	208.1	17.9
Repayment of long-term financial liabilities	– 49.6	– 0.7
Proceeds from short-term financial liabilities	112.7	71.9
Repayment of short-term financial liabilities	– 4.7	– 35.0
Dividend paid	– 45.2	– 49.8
Net cash flow from financing activities	**221.6**	**5.2**
Effect of exchange rate changes	4.1	– 8.7
Net change in cash and cash equivalents	**18.0**	**– 224.6**
Cash and cash equivalents at 1 January	132.6	377.5
Cash and cash equivalents at 30 June	**150.6**	**152.9**

Operating free cash flow/free cash flow

CHF million

	January – June 2009	January – June 2008
Net cash flow from operating activities	**– 45.0**	**– 43.0**
Purchases of property, plant and equipment	– 26.6	– 64.7
Proceeds from sale of property, plant and equipment	0.6	1.0
Purchases of intangible assets	– 0.5	– 0.4
Proceeds from sale of intangible assets	0.1	–
Operating free cash flow	**– 71.4**	**– 107.1**
Purchases of short-term investments and financial assets	– 3.0	– 9.4
Proceeds from sale of short-term investments and financial assets	37.6	25.7
Dividend paid	– 45.2	– 49.8
Acquisition of subsidiaries	– 170.9	– 128.9
Acquisition of associates	–	– 1.4
Free cash flow	**– 252.9**	**– 270.9**

Consolidated statement of changes in equity for the six months ended 30 June 2009

CHF million	Share capital	Share premium reserve	Retained earnings	Currency translation reserve	Treasury shares	Fair value reserve	Attributable to equity holders of Bucher Industries AG	Attributable to minority interests	Total equity
Balance at 1 January 2008	**2.1**	**70.6**	**809.4**	**– 6.0**	**– 29.6**	**16.6**	**863.1**	**9.7**	**872.8**
Profit for the period			89.5				89.5	– 0.2	**89.3**
Other comprehensive income for the period				– 42.0		– 7.1	– 49.1	– 0.3	**– 49.4**
Total comprehensive income for the period			**89.5**	**– 42.0**		**– 7.1**	**40.4**	**– 0.5**	**39.9**
Change in treasury shares			4.3		1.3		5.6		**5.6**
Dividend			– 49.8				– 49.8	– 0.4	**– 50.2**
Balance at 30 June 2008	**2.1**	**70.6**	**853.4**	**– 48.0**	**– 28.3**	**9.5**	**859.3**	**8.8**	**868.1**
Balance at 1 January 2009	**2.1**	**70.6**	**908.4**	**– 128.7**	**– 27.8**	**11.2**	**835.8**	**10.3**	**846.1**
Profit for the period			41.9				41.9	– 0.1	**41.8**
Other comprehensive income for the period				35.4		– 3.2	32.2	0.2	**32.4**
Total comprehensive income for the period			**41.9**	**35.4**		**– 3.2**	**74.1**	**0.1**	**74.2**
Change in treasury shares			2.3		0.7		3.0		**3.0**
Dividend			– 44.9				– 44.9	– 0.3	**– 45.2**
Balance at 30 June 2009	**2.1**	**70.6**	**907.7**	**– 93.3**	**– 27.1**	**8.0**	**868.0**	**10.1**	**878.1**

Foreign currency exchange rates

	Income statement average rates		Balance sheet closing rates	
	January – June 2009	**January – June 2008**	**30 June 2009**	**30 June 2008**
1 EUR	1.5025	1.6100	1.5265	1.6056
1 GBP	1.6737	2.0854	1.7915	2.0266
1 USD	1.1182	1.0505	1.0800	1.0185
1 BRL	0.5082	0.6186	0.5557	0.6394
1 AUD	0.7960	0.9705	0.8794	0.9808
100 SEK	13.8400	17.1100	14.1200	16.9500

Notes to the consolidated financial statements

Financial position and results of operations The first half of 2009 was substantially impacted by the global economic slump. Net operating assets grew to CHF 1 232.3 million, an increase of CHF 251.4 million over the year-ago period and of CHF 309.8 million over the year end. The main reasons for this rise were the acquisition of Kuhn-Geldrop BV, Netherlands, the decrease in trade payables arising from reduced production, and the seasonal decline in customer advances. The growth in net operating assets and the CHF 45.2 million dividend payments contributed to an increase in net debt to CHF 367.8 million, up by CHF 223.2 million compared with the same period last year and by CHF 257.2 million compared with the year end. Equity increased by CHF 32.0 million to CHF 878.1 million during the first half of 2009. The equity ratio was 39.8%, down 0.4% on the year-ago figure. The ratio of long-term debt to total debt was 66.8% (30 June 2008: 43.5%, 31 December 2008: 68.0%). The Group's liquidity and funding was assured by committed and uncommitted credit facilities and banks loans of CHF 685 million and CHF 375 million respectively. Intangible assets amounted to CHF 267.9 million, of which goodwill accounted for CHF 145.1 million (31 December 2008: CHF 88.9 million), having increased by CHF 56.2 million mainly due to the acquisition of Kuhn-Geldrop BV. Goodwill represented 16.5% of equity (30 June 2008: 12.8%). As a result of the reduction in total capital expenditure, operating free cash flow improved from negative CHF 107.1 million to negative CHF 71.4 million. Sales for the first six months fell by 18.7%, or 20.4% when adjusted for currency translation and acquisitions, to CHF 1 178.9 million from the high figure of CHF 1 449.5 million for the same period last year. Acquisitions had an impact of 7.7%. The negative currency impact of 5.9% on sales was mainly due to changes in the average exchange rates of the EUR (down 6.7%), GBP (down 19.7%) and AUD (down 18.0%) against the Swiss franc. EBITDA dropped by 40.4% to CHF 97.2 million (CHF 163.0 million), lowering the EBITDA margin by 3.0 percentage points to 8.2%. EBIT decreased by CHF 73.3 million to CHF 58.7 million, reducing the EBIT margin by 4.1 percentage points to 5.0%. This was mainly due to the marked decline in volume and subsequent capacity adjustments. Finance income of CHF 11 million (CHF 0.1 million) primarily resulted from gains realised on securities and unrealised foreign exchange gains on valuations and hedges. Income tax expense was accrued using the estimated average effective tax rates for the current financial year and amounted to CHF 17.9 million for the first half of 2009 (CHF 36.7 million); the tax rate was 30.0% (29.1%). The Group's profit of CHF 41.8 million for the period (CHF 89.3 million) represented 3.5% (6.2%) of net sales.

Group accounting policies The unaudited financial statements for the six months ended 30 June 2009 have been prepared in accordance with International Financial Reporting Standards (IFRS) in general and with IAS 34 "Interim Financial Reporting" in particular.

The group accounting policies set out in the annual report 2008 (page 74 ff.) have been applied consistently in preparing the interim report, except for changes arising from the following new or revised standards and interpretations published by the International Accounting Standards Board (IASB) and adopted by Bucher Industries for the 2009 financial year. The table below gives an overview of the impact of the standards and interpretations on Bucher Industries' consolidated financial statements.

New or revised IFRS standards and interpretations 2009

Standard/interpretation		Impact
New standards		
IFRS 8	Operating Segments	2
Revised standards		
IFRS 1 & IAS 27	First-Time Adoption of IFRS, and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1
IFRS 2	Share-based Payment – Vesting Conditions and Cancellations	1
IFRS 7	Financial Instruments: Disclosures	2
IAS 1	Presentation of Financial Statements	2
IAS 23	Borrowing Costs	1
IAS 32 & IAS 1	Financial Instruments: Presentation, and Presentation of Financial Statements: Puttable Financial Instruments and Obligations Arising on Liquidation	1
Various	Annual Improvements to IFRS	1
New interpretation		
IFRIC 9	Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement	1
IFRIC 13	Customer Loyalty Programmes	1
IFRIC 15	Agreements for the Construction of Real Estate	1
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1

1) Adoption has not had a significant impact on the consolidated financial statements.
2) Adoption has an impact on the classification and measurement of the consolidated financial statements.

IAS 1 requires that items of income and expense recognised in equity be presented in a statement of comprehensive income in addition to a statement of changes in equity. Bucher Industries has decided to keep the original income statement and to disclose the additional information in a separate table.

IFRS 8 “Operating Segments” replaces the previous IAS 14 “Segment Reporting”. The standard takes a management approach to identifying and measuring the results of reportable segments. The distinction between primary and secondary segments has been removed. Segment information is to be presented on the same basis as that used for internal reporting purposes. As the previous segment reporting reflects the operational and management structure of Bucher Industries, the first-time adoption of IFRS 8 has not resulted in any change in the identification of operating segments.

The amendment to IFRS 7 on disclosures about financial instruments requires fair value to be determined using a three-level hierarchy. Bucher Industries measures short-term investments and derivative financial instruments using quoted prices. All financial instruments are therefore measured within Level 1.

The International Accounting Standards Board (IASB) has published the following new and revised standards and interpretations that will not be mandatory until the 2010 financial year and have not yet been adopted in these consolidated financial statements. The table below gives an overview of the expected impact of the standards and interpretations on the consolidated financial statements.

New or revised IFRS standards and interpretations 2010

Standard/interpretation		Estimated impact
Revised standards		
IAS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items	2
Various	Annual Improvements to IFRS	2
New interpretation		
IFRIC 17	Distribution of Non-cash Assets to Owners	1

1) Not expected to have an impact or significant impact on the consolidated financial statements.
2) The impact on the consolidated financial statements will be presented in the annual report 2009.

Management's assumptions and estimates The preparation of consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements. If in the future such estimates and assumptions deviate from the actual circumstances, reported amounts will be restated as appropriate in the year in which the circumstances change. Any assumptions and estimates made by management in the consolidated interim financial statements are consistent with those in the consolidated financial statements for the year ended 31 December 2008. Income tax expense is accrued using the estimated average effective tax rates for the current financial year.

Acquisitions and disposals Bucher Industries acquired the Kverneland Group's baler operations with effect from 1 January 2009. These operations comprise the manufacture of balers, bale wrappers, drum mowers and maize choppers. The company, Kverneland Group Geldrop BV, was integrated into the Kuhn Group division and renamed Kuhn-Geldrop BV. With this acquisition, Kuhn Group has filled the existing gap in its range of hay and forage harvesting equipment. The acquisition was completed and all the shares acquired on 19 February 2009. The purchase consideration, including assumption of debt, was CHF 172.1 million, of which CHF 1.2 million only became due for payment in July 2009. The entire purchase consideration was paid in cash and allocated to assets and liabilities as follows: CHF 25.4 million to financial assets, CHF 36.9 million to inventories, CHF 10.8 million to property, plant and equipment, CHF 85.4 million to intangible assets and CHF 37.1 million to liabilities. Receivables amounting to CHF 23.5 million were acquired, the value of which represented their fair value. All the receivables were considered fully collectible. Kuhn-Geldrop BV was included in the consolidated financial statements at provisional values at the date of acquisition because the fair values of identifiable assets, liabilities and contingent liabilities had not yet been finally determined. Based on the provisional purchase price allocation, goodwill amounted to CHF 50.9 million. Both goodwill and the amount and valuations of identifiable assets, liabilities and contingent liabilities are therefore subject to change. In the period from 1 January to 30 June 2009, Kuhn-Geldrop BV generated EBITDA of CHF 5.0 million and EBIT of negative CHF 1.6 million on sales of CHF 75.6 million. Amortisation of the capitalised intangible assets resulting from the purchase price allocation had an adverse impact of CHF 2.1 million on operating profit. The acquisition costs of CHF 0.3 million have been recognised in other operating expenses.

Division information Bucher Industries comprises five divisions (segments) specialising in industrially related areas of mechanical and vehicle engineering. Although they are technologically related, the divisions are quite distinct from each other in terms of products and sales markets. The divisions' management and responsibility for performance are consequently decentralised as well. The summary below describes the operations of each of the reportable divisions:

Kuhn Group is the world's leading supplier of agricultural machinery for tillage, seeding, fertilisation, spraying, landscape maintenance, hay and forage harvesting, livestock bedding and feeding.

Bucher Municipal holds the largest share of the European municipal vehicle market, offering a whole range of compact and truck mounted sweepers, airport cleaning and snow removal equipment, spreaders and refuse collection vehicles.

Bucher Process is the leading international manufacturer of equipment for wine and fruit juice producer, with a portfolio ranging from machinery for fruit reception, mash preparation and juice extraction to fermentation, filtration and adsorption systems, as well as presses adapted for dewatering sludge.

Bucher Hydraulics has manufacturing facilities in Europe, Asia and the USA and a leading position as a provider of custom mobile and industrial hydraulic system solutions.

Emhart Glass is the world's leading supplier of advanced technologies for manufacturing and inspecting glass containers, with a portfolio encompassing glass container forming and inspection machinery, systems, components, spare parts, advice and services for the glass container industry.

Division information (continued)

CHF million	Net sales January – June		Operating profit (EBIT) January – June		Operating assets at 30 June	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Kuhn Group	600.8	607.8	41.3	66.0	888.2	665.2
Bucher Municipal	215.5	281.9	10.5	16.1	274.5	317.2
Bucher Process	45.5	85.4	– 3.7	6.4	114.8	141.3
Bucher Hydraulics	170.9	270.9	10.4	38.4	308.0	345.2
Emhart Glass	147.9	206.4	5.6	16.1	279.5	321.7
Total for reportable divisions	**1 180.6**	**1 452.4**	**64.1**	**143.0**	**1 865.0**	**1 790.6**
Other/consolidation	– 1.7	– 2.9	– 5.4	– 11.0	22.3	27.2
Group total	**1 178.9**	**1 449.5**	**58.7**	**132.0**	**1 887.3**	**1 817.8**

The basis of segmentation and measurement of division profits have not changed since the last annual financial statements. The profitability of the individual divisions is determined based on operating performance, which is measured the same for management reporting and in the consolidated financial statements. The figures reported as “other/consolidation” comprise the results of the holding, finance and management companies as well as consolidation effects of inter-company transactions. The associate is held by the holding company and not allocated to any segment. Inter-segment sales amounted to CHF 1.7 million for Bucher Hydraulics. These internal transactions were on normal commercial terms and conditions. Operating assets include actual and accrued receivables, inventories, property, plant and equipment, and intangible assets.

A reconciliation of division profits to group profit before tax is provided below:

CHF million	Profit for the period January – June	
	2009	**2008**
Division operating profit	64.1	143.0
Profit or loss of holding and finance companies	– 5.4	– 11.0
Group operating profit	**58.7**	**132.0**
Share of profit of associates	– 0.5	0.9
Finance costs	– 9.5	– 7.0
Finance income	11.0	0.1
Profit before tax	**59.7**	**126.0**

Interest-bearing financial liabilities In the first half of the year, Bucher Industries AG, Niederweningen, arranged new credit facilities and signed a syndicated loan agreement for a total of CHF 375 million with five international financial institutions. The total sum was spread among the various institutions with different credit volumes. The interest rate represents Libor plus an interest margin. The interest margin depends on predefined levels of the ratio of “net debt to EBITDA”. The financial covenants are reviewed every six months. Other bilateral committed credit facilities totalling CHF 310 million were arranged with ten different financial institutions. The loans bear interest at rates of between 2.10% and 3.09% and are due for repayment from end 2011 to 2015. All terms of credit were complied with at the balance sheet date on 30 June 2009.

Events after the balance sheet date On 11 August 2009, the treasury shares held by Bucher Industries AG, Niederweningen, were sold to Bucher Beteiligungs-Stiftung, Niederweningen. The transaction was conducted at the market price on 11 August 2009. This transfer served to increase the number of shares available for awards under employee share-based payment plans and for directors' remuneration in future periods. No other events have occurred since the balance sheet date that are significant to an understanding of this interim report.

Approval of the consolidated interim financial statements The board of directors authorised the consolidated interim financial statements for issue on 11 August 2009.

Financial calendar

Release of third quarter 2009 group sales	29 October 2009	
Release of 2009 group sales	1 February 2010	
Annual press conference	16 March 2010	9.00 am
Annual analyst conference	16 March 2010	2.30 pm
Mailing of annual report 2009	24 March 2010	
Annual general meeting (Mövenpick Hotel, Regensdorf)	15 April 2010	4.00 pm
Dividend payment	20 April 2010	
Release of first quarter 2010 group sales	27 April 2010	
Interim report 2010	10 August 2010	
Release of third quarter 2010 group sales	27 October 2010	

Contact

Philip Mosimann, CEO
Roger Baillod, CFO

Bucher Industries AG
Murzlenstrasse 80
CH-8166 Niederweningen
Phone +41 43 815 80 80
Fax +41 43 815 80 81
info@bucherind.com
www.bucherind.com

Cover: Big baler LSB 1270
August 2009 Publisher: Bucher Industries AG Design: MetaDesign, Zurich
This interim report is also published in German. In case of any discrepancy, the German version shall prevail.