# Financial contents

# Group financial review

**Business development** Demand for the specialised products of Bucher Industries increased sharply in the reporting year. The Group posted an increase of 20.3% in order intake and 11.2% in sales. Adjusted for currency and acquisition effects, the increases were 18.3% and 9.4% respectively. Prices in the dairy and livestock industries moved higher at the end of 2016 and stabilised at a good level in 2017, leading to a recovery in the agricultural machinery market. These improved market conditions had a positive impact on the order intake and sales of Kuhn Group. Bucher Municipal benefited from the improving economy and the associated investments made by cities and municipalities. Bucher Hydraulics delivered outstanding figures for order intake and sales thanks to pleasing demand in the segments of construction equipment, agricultural machinery, industrial hydraulics and materials handling. The demand for machinery for forming and inspecting glass containers was stronger in almost every market. Thanks to its outstanding market position and broad customer base, Bucher Emhart Glass was able to take advantage of the improved markets and expanded in almost all regions. The business units of Bucher Specials faced difficult conditions in some markets. Nevertheless, the division was able to post a modest increase in sales. The Group's order book remained good, standing at CHF 960.3 million, a 32.0% increase on the previous year. Adjusted for currency and acquisition effects, the increase was 30.4%. The order backlog at the end of the reporting year was around 4.4 months of the full-year sales for 2017 (2016: 3.7 months). Compared with the previous year, the changes in the average exchange rates against the Swiss franc were as follows: EUR up 2.1%, USD down 0.6%, GBP down 5.3%, SEK up 0.1%, BRL up 8.1% and AUD up 2.7%.

## Net sales

| CHF million | 2017 | 2016 | change in % |
|---|---|---|---|
| Net sales | 2 647.4 | 2 380.4 | 11.2% |
| Net sales adjusted for currencies | 2 615.9 | 2 380.4 | 9.9% |
| Net sales adjusted for acquisitions | 2 635.4 | 2 380.4 | 10.7% |
| Net sales adjusted for currencies and acquisitions | 2 604.1 | 2 380.4 | 9.4% |

**Operating performance** The Group EBIT margin was 8.6%, an increase of 1.5 percentage points on the previous year. Profitability rose thanks to higher sales as well as optimised structures and strict cost controls. A negative impact came in particular from the continued low level of sales in the US agricultural machines market, higher material costs and inventory adjustments at the Chinese joint venture. The operating result received an additional positive one-off effect of CHF 4.9 million from the lowering of the conversion rate of the Swiss pension fund. The EBITDA of the Group rose by 21.1% to CHF 318.0 million, resulting in an EBITDA margin of 12.0% (2016: 11.0%). Other operating expenses came to 12.6% (13.5%) of sales. Employment costs were adjusted as far as possible in line with capacity utilisation by way of flexible deployment of temporary staff. The ratio of employment costs to sales was 26.8% (27.4%).

**Net financial items** Net financial items amounted to negative CHF 1.1 million, compared with negative CHF 8.7 million in 2016. Net interest expense improved by CHF 3.8 million to negative CHF 2.9 million, the improvement being largely attributable to the repayment of high-interest financial liabilities in Brazil and higher interest income. The net gain on financial instruments was CHF 4.6 million, or CHF 3.0 million higher year on year primarily due to the sale of bonds. The currency effects on the financial result in the amount of CHF 2.2 million (2016: CHF 2.7 million) are mainly due to currency losses related to internal Group financing. The Group's share of profit/(loss) of associates and joint ventures was a profit of CHF 0.4 million (CHF 0.6 million).

CHF million

| | 2017 | 2016 |
|---|---|---|
| Interest expense on financial liabilities | –5.5 | –8.1 |
| Interest income on financial assets | 2.6 | 1.4 |
| **Net interest expense** | **–2.9** | **–6.7** |
| Net gain on financial instruments | 4.6 | 1.6 |
| Financial foreign exchange gains and losses | –2.2 | –2.7 |
| Share of profit/(loss) of associates and joint ventures | 0.4 | 0.6 |
| Other financial items | –1.0 | –1.5 |
| **Net financial items** | **–1.1** | **–8.7** |

**Tax rate and profit for the year** Income tax expense increased to CHF 57.6 million (2016: CHF 42.2 million) because of the higher profits from Group entities. The effective tax rate was 25.6%, just below the previous-year level (26.3%). Group profit for the year reached CHF 167.7 million, a significant increase of 41.6% over the previous year. The return on sales was 6.3% (5.0%). As a result of the higher profit for the year, earnings per share rose by 43.3% to CHF 16.81 (CHF 11.73).

**Financial situation** Net operating assets at the end of 2017 amounted to CHF 1 254.8 million, compared with CHF 1 228.4 million the previous year. Adjusted for currencies, the increase was 0.5%. The volume-related increase in receivables and inventories was largely offset by higher liabilities and an increase in prepayments from customers. Average net operating assets for the year were CHF 1 273.9 million, slightly below the previous-year figure (2016: CHF 1 293.1 million). As a percentage of sales, the net operating assets decreased from 54.3% to 48.1%. Due to the increased profitability and lower capital commitment, the return on net operating assets after tax (RONOA) was 13.2% (9.7%). This was still significantly higher than the cost of capital, but below the long-range target of 16%. Investments of CHF 76.2 million were slightly below the previous year's level. The main focus was on the expansion of the production infrastructure, as well as the modernisation and automation of means of production. The most important individual projects concerned the expansion project of Kuhn Group in France, the purchase of land in Russia and the ongoing expansion of the production facility of Bucher Municipal in Latvia.

## Return on net operating assets (RONOA) after tax

CHF million

| | 2017 | 2016 |
|---|---|---|
| Trade receivables | 457.2 | 389.5 |
| Inventories | 694.0 | 600.1 |
| Property, plant and equipment | 614.7 | 595.1 |
| Intangible assets | 234.9 | 246.4 |
| Other operating receivables | 97.9 | 83.7 |
| Trade payables | −269.8 | −215.6 |
| Advances from customers | −234.5 | −164.7 |
| Provisions | −74.4 | −72.9 |
| Other operating liabilities | −265.2 | −233.2 |
| **Net operating assets (NOA)** | **1 254.8** | **1 228.4** |
| Net operating assets (NOA) average | 1 273.9 | 1 293.1 |
| Operating profit (EBIT) | 226.4 | 169.3 |
| Effective tax rate | 25.6% | 26.3% |
| **Return on net operating assets (RONOA) after tax** | **13.2%** | **9.7%** |

Intangible assets decreased to CHF 234.9 million (2016: CHF 246.4 million) because of amortisations. Goodwill amounted to CHF 136.9 million (CHF 137.8 million). The annual impairment tests of intangible assets were based on the cash flow projections of the individual cash-generating units. Based on the assessment of the outlook for the years ahead, as in prior year, the impairment test did not indicate any need for an impairment charge. The ratio of intangible assets to equity was 16.4% (20.1%), while that of goodwill to equity was 9.6% (11.3%). Equity increased by CHF 208.5 million to CHF 1 432.1 million at 31 December 2017. The increase was due to the improved Group profit for the year of CHF 167.7 million, positive effects from other comprehensive income of CHF 62.8 million and the net change in treasury shares of CHF 28.7 million. The positive effects were offset by a dividend of CHF 50.7 million. The equity ratio rose by 2.1 percentage points to 52.7% (50.6%) and the return on equity was 12.6% (10.0%). At the end of the year, the Group had cash and liquid assets of CHF 540.5 million and financial liabilities of CHF 326.3 million, resulting in a net liquidity of CHF 214.2 million. A total of CHF 210.0 million was available in unused committed credit facilities. The financial covenants are reviewed every six months. All terms of credit were complied with on the reporting date of 31 December 2017.

## Cash flow/free cash flow

| CHF million | 2017 | 2016 |
|---|---|---|
| **Net cash flow from operating activities** | **222.4** | **262.9** |
| Purchases of property, plant and equipment | −71.8 | −75.8 |
| Proceeds from sale of property, plant and equipment | 2.0 | 4.8 |
| Purchases of intangible assets | −4.4 | −2.4 |
| **Operating free cash flow** | **148.2** | **189.5** |
| Purchases of other financial assets | −1.9 | – |
| Proceeds from sale of other financial assets | 6.4 | 3.4 |
| Acquisition | −0.4 | −50.7 |
| Acquisition of associates and joint ventures | −0.3 | – |
| Purchases of treasury shares | – | −7.4 |
| Proceeds from sale of treasury shares | 27.7 | 5.4 |
| Dividend received | 0.1 | 0.1 |
| Dividend paid | −50.7 | −56.5 |
| **Free cash flow** | **129.1** | **83.8** |

Operational free cash flow amounted to CHF 148.2 million (2016: CHF 189.5 million). The decrease is primarily due to a higher capital commitment in net working capital. After deduction of the dividend and taking into account sales of shares, the positive free cash flow was CHF 129.1 million. The free cash flow in the prior year was additionally impacted by the acquisition of J. Hvidtved Larsen in 2016.

**Number of employees** Bucher Industries adjusted the number of employees as far as possible on the basis of seasonal influences and local economic developments. As a result of higher demand, the number of employees rose by 8.3% to 12 108 full-time equivalents. On average for the year, the increase was 4.1%, while adjusted for acquisition effects it was 3.7%. Net sales per employee increased to CHF 226 000 (2016: CHF 212 000). Adjusted for currency and acquisition effects, the increase was 5.3%.

**Shareholder value** In an overall rising stock market, the performance of Bucher's share price was positive, closing at CHF 396.00, above the previous year's figure of CHF 250.75 (a gain of 57.9%). The high for the year was CHF 407.00 and the low was CHF 252.80. The company's market capitalisation reached CHF 4.1 billion at the year-end, representing a price/book ratio of 2.9. Earnings per share reached CHF 16.81, against CHF 11.73 for the previous year.

**Dividend** In keeping with a consistent dividend policy and in consideration of the Group profits achieved, the board of directors is proposing that the annual general meeting on 18 April 2018 approve payment of a dividend of CHF 6.50 per registered share. Based on the average share price of CHF 325.30 for 2017, the board's proposal represents a dividend yield of 2.0% (2016: 2.2%).

# Consolidated balance sheet as per 31 December 2017

| CHF million | Note | 31 December 2017 | 31 December 2016 |
|---|---|---|---|
| Cash and cash equivalents | | 513.2 | 390.6 |
| Other financial assets | 7 | 27.3 | 27.3 |
| Trade receivables | 3 | 457.2 | 389.5 |
| Current income tax assets | | 26.0 | 24.9 |
| Other receivables | 3 | 67.4 | 53.4 |
| Inventories | 4 | 694.0 | 600.1 |
| **Current assets** | | **1 785.1** | **1 485.8** |
| Long-term receivables | 3 | 7.7 | 8.4 |
| Property, plant and equipment | 5 | 614.7 | 595.1 |
| Intangible assets | 6 | 234.9 | 246.4 |
| Other financial assets | 7 | 10.4 | 11.5 |
| Investments in associates and joint ventures | 8 | 13.3 | 11.6 |
| Deferred income tax assets | 17 | 53.7 | 60.8 |
| **Non-current assets** | | **934.7** | **933.8** |
| **Assets** | | **2 719.8** | **2 419.6** |
| Financial liabilities | 9 | 60.6 | 40.7 |
| Trade payables | | 269.8 | 215.6 |
| Advances from customers | | 234.5 | 164.7 |
| Provisions | 10 | 61.6 | 58.5 |
| Other liabilities | 12 | 219.0 | 189.9 |
| Current income tax liabilities | | 33.1 | 28.3 |
| **Current liabilities** | | **878.6** | **697.7** |
| Financial liabilities | 9 | 265.7 | 315.8 |
| Provisions | 10 | 12.8 | 14.4 |
| Other liabilities | 12 | 18.7 | 20.1 |
| Deferred income tax liabilities | 17 | 54.6 | 51.4 |
| Retirement benefit obligations | 18 | 57.3 | 96.6 |
| **Non-current liabilities** | | **409.1** | **498.3** |
| Attributable to owners of Bucher Industries AG | | 1 398.1 | 1 187.9 |
| Attributable to non-controlling interests | | 34.0 | 35.7 |
| **Equity** | | **1 432.1** | **1 223.6** |
| **Liabilities and equity** | | **2 719.8** | **2 419.6** |

# Consolidated income statement for the year ended 31 December 2017

| CHF million | Note | 2017 | % | 2016 | % |
|---|---|---|---|---|---|
| **Net sales** | 1 | **2 647.4** | **100.0** | **2 380.4** | **100.0** |
| Changes in inventories of finished goods and work in progress | | 32.1 | | −17.5 | |
| Raw materials and consumables used | | −1 339.4 | | −1 148.3 | |
| Employment costs | 14 | −708.4 | | −652.2 | |
| Other operating income | 15 | 20.9 | | 20.3 | |
| Other operating expenses | 15 | −334.6 | | −320.2 | |
| **Operating profit before depreciation and amortisation (EBITDA)** | | **318.0** | **12.0** | **262.5** | **11.0** |
| Depreciation | 5 | −74.5 | | −73.8 | |
| Amortisation | 6 | −17.1 | | −19.4 | |
| **Operating profit (EBIT)** | | **226.4** | **8.6** | **169.3** | **7.1** |
| Share of profit/(loss) of associates and joint ventures | 16 | 0.4 | | 0.6 | |
| Finance costs | 16 | −8.8 | | −12.4 | |
| Finance income | 16 | 7.3 | | 3.1 | |
| **Profit before tax** | | **225.3** | **8.5** | **160.6** | **6.7** |
| Income tax expense | 17 | −57.6 | | −42.2 | |
| **Profit/(loss) for the year** | | **167.7** | **6.3** | **118.4** | **5.0** |
| Attributable to owners of Bucher Industries AG | | 170.9 | | 118.7 | |
| Attributable to non-controlling interests | | −3.2 | | −0.3 | |
| Basic earnings per share in CHF | 13 | 16.81 | | 11.73 | |
| Diluted earnings per share in CHF | 13 | 16.79 | | 11.71 | |

# Consolidated statement of comprehensive income for the year ended 31 December 2017

CHF million

| | 2017 | 2016 |
|---|---|---|
| **Profit/(loss) for the year** | **167.7** | **118.4** |
| Change in actuarial gains/(losses) on defined benefit pension plans | 39.7 | – 10.5 |
| Income tax | – 10.2 | 2.9 |
| **Change in actuarial gains/(losses) on defined benefit pension plans net of tax** | **29.5** | **– 7.6** |
| **Items that will not be transferred subsequently to income statement** | **29.5** | **– 7.6** |
| Change in fair value reserve | 0.5 | 0.7 |
| Transfer to income statement | – 3.2 | – |
| Income tax | 0.9 | – 0.2 |
| **Change in fair value reserve net of tax** | **– 1.8** | **0.5** |
| Change in cash flow hedge reserve | 3.4 | 0.7 |
| Transfer to income statement | – 2.7 | 0.5 |
| Income tax | – 0.9 | 0.2 |
| **Change in cash flow hedge reserve net of tax** | **– 0.2** | **1.4** |
| Change in currency translation reserve | 35.3 | 14.0 |
| Transfer to income statement | – | – |
| **Change in currency translation reserve** | **35.3** | **14.0** |
| **Items that may be transferred subsequently to income statement** | **33.3** | **15.9** |
| **Other comprehensive income** | **62.8** | **8.3** |
| **Comprehensive income** | **230.5** | **126.7** |
| Attributable to owners of Bucher Industries AG | 232.2 | 128.3 |
| Attributable to non-controlling interests | – 1.7 | – 1.6 |

# Consolidated cash flow statement for the year ended 31 December 2017

| CHF million | Note | 2017 | 2016 |
|---|---|---|---|
| **Profit/(loss) for the year** | | **167.7** | **118.4** |
| Income tax expense | 17 | 57.6 | 42.2 |
| Net interest expense | 16 | 2.9 | 6.7 |
| Share of profit/(loss) of associates and joint ventures | 8 | −0.4 | −0.6 |
| Depreciation and amortisation | 5, 6 | 91.6 | 93.2 |
| Other operating cash flow items | | −0.2 | 1.5 |
| Gain on sale of non-current assets | 15 | −0.1 | −0.8 |
| Gain on sale of short-term investments and financial assets | | −3.2 | – |
| Interest received | | 2.0 | 1.3 |
| Interest paid | | −4.0 | −6.9 |
| Income tax paid | | −41.6 | −31.2 |
| Change in provisions and retirement benefit obligations | | −3.3 | 14.0 |
| Change in receivables | | −66.1 | 44.6 |
| Change in inventories | | −73.7 | 18.8 |
| Change in advances from customers | | 54.4 | −5.6 |
| Change in payables | | 58.5 | −19.3 |
| Other changes in working capital | | −19.7 | −13.4 |
| **Net cash flow from operating activities** | | **222.4** | **262.9** |
| Purchases of property, plant and equipment | 5 | −71.8 | −75.8 |
| Proceeds from sale of property, plant and equipment | | 2.0 | 4.8 |
| Purchases of intangible assets | 6 | −4.4 | −2.4 |
| Purchases of other financial assets | | −1.9 | – |
| Proceeds from sale of other financial assets | | 6.4 | 3.4 |
| Acquisition | 2 | −0.4 | −50.7 |
| Acquisition of associates and joint ventures | 8 | −0.3 | – |
| Dividend received | 8 | 0.1 | 0.1 |
| **Net cash flow from investing activities** | | **−70.3** | **−120.6** |
| Purchases of treasury shares | 13 | – | −7.4 |
| Proceeds from sale of treasury shares | 13 | 27.7 | 5.4 |
| Proceeds from non-current financial liabilities | | 4.6 | 4.4 |
| Repayment of non-current financial liabilities | | −4.5 | −26.1 |
| Proceeds from current financial liabilities | | 43.2 | 29.2 |
| Repayment of current financial liabilities | | −76.9 | −44.2 |
| Dividend paid | | −50.7 | −56.5 |
| **Net cash flow from financing activities** | | **−56.6** | **−95.2** |
| Effect of exchange rate changes | | 27.1 | −2.7 |
| **Net change in cash and cash equivalents** | | **122.6** | **44.4** |
| Cash and cash equivalents at 1 January | | 390.6 | 346.2 |
| **Cash and cash equivalents at 31 December** | | **513.2** | **390.6** |

# Consolidated statement of changes in equity for the year ended 31 December 2017

| CHF million | Share capital | Retained earnings | Treasury shares | Currency translation reserve | Fair value reserve | Cash flow hedge reserve | Attributable to owners of Bucher Industries AG | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2016** | **2.1** | **1 477.9** | **−12.4** | **−353.8** | **4.2** | **−2.0** | **1 116.0** | **38.1** | **1 154.1** |
| Profit/(loss) for the year | | 118.7 | | | | | 118.7 | −0.3 | **118.4** |
| Other comprehensive income | | −7.6 | | 15.3 | 0.5 | 1.4 | 9.6 | −1.3 | **8.3** |
| **Comprehensive income** | | **111.1** | | **15.3** | **0.5** | **1.4** | **128.3** | **−1.6** | **126.7** |
| Change in treasury shares | | – | −7.4 | | | | −7.4 | | **−7.4** |
| Share-based payments | | 4.6 | 2.1 | | | | 6.7 | | **6.7** |
| Dividend | | −55.7 | | | | | −55.7 | −0.8 | **−56.5** |
| **Balance at 31 December 2016** | **2.1** | **1 537.9** | **−17.7** | **−338.5** | **4.7** | **−0.6** | **1 187.9** | **35.7** | **1 223.6** |
| Profit/(loss) for the year | | 170.9 | | | | | 170.9 | −3.2 | **167.7** |
| Other comprehensive income | | 29.5 | | 33.8 | −1.8 | −0.2 | 61.3 | 1.5 | **62.8** |
| **Comprehensive income** | | **200.4** | | **33.8** | **−1.8** | **−0.2** | **232.2** | **−1.7** | **230.5** |
| Change in treasury shares | | 9.8 | 12.7 | | | | 22.5 | | **22.5** |
| Share-based payments | | 4.9 | 1.3 | | | | 6.2 | | **6.2** |
| Dividend | | −50.7 | | | | | −50.7 | – | **−50.7** |
| **Balance at 31 December 2017** | **2.1** | **1 702.3** | **−3.7** | **−304.7** | **2.9** | **−0.8** | **1 398.1** | **34.0** | **1 432.1** |

# Notes to the consolidated financial statements

## Group accounting policies

**Organisation** Bucher Industries AG is a public limited company incorporated in Switzerland whose shares are publicly traded on the SIX Swiss Exchange. Its registered office is in Niederweningen, Switzerland. The Group comprises five specialised divisions in industrially related areas of mechanical and vehicle engineering.

**Basis of preparation** The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and Swiss law under the historical cost convention, except for certain assets and liabilities which are measured at fair value. The consolidated financial statements are presented in Swiss francs (CHF) and are based on the group entities' separate financial statements made up to 31 December using uniform classification and measurement criteria (IFRS). All amounts are stated in millions of Swiss francs (CHF million), unless otherwise indicated. The policies set out below have been consistently applied to all the periods presented, unless otherwise stated. Where necessary, prior-year comparative information has been reclassified or extended from the previously reported consolidated financial statements to take into account any presentational changes.

Changes in accounting policies The new or revised standards and interpretations published by the International Accounting Standards Board (IASB) and implemented on 1 January 2017 had no significant impact on the consolidated accounts presented here. Published standards or interpretations that will only come into effect for the financial years from 1 January 2018 and beyond will not be applied at an earlier date.

Future standards not yet adopted The following new and revised standards and interpretations had been approved by the time the consolidated financial statements were authorised for issue by the board of directors.

| Standard/Interpretation | | Effective date | Planned application |
|---|---|---|---|
| **New standards** | | | |
| IFRS 9 | Financial instruments | 1 January 2018 | 2018 |
| IFRS 15 | Revenue from contracts with customers | 1 January 2018 | 2018 |
| IFRS 16 | Leases | 1 January 2019 | 2019 |
| IFRS 17 | Insurance contracts | 1 January 2021 | 2021 |
| | | | |
| **Revised standards** | | | |
| Div. | Various amendments and annual improvements to IFRS/IAS | | |

Bucher Industries continually assesses the possible impact of the new and revised standards and interpretations. After the completed analyses of the new standards IFRS 9 (financial instruments) and IFRS 15 (revenue from contracts with customers), Bucher Industries does not expect there to be any significant effect on the consolidated financial statements. IFRS 15 will result in additional disclosures. At the present, the impact of the new IFRS 16 standard (leases) on the assets, finances and earnings situation of Bucher Industries cannot be reliably assessed. The revised standards and interpretations are not expected to have a significant impact on the result or the financial situation.

**Management's assumptions and estimates** The preparation of the consolidated 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. All estimates and judgements are reviewed regularly. They are based on historical experience and expectations of future events. Actual outcomes may differ from these estimates. The consolidated financial statements will be modified as appropriate in the reporting year in which the circumstances change. Assumptions and estimates in the following areas have a significant influence on the consolidated financial statements.

- Impairment of non-financial assets, in particular in the assessment of the carrying value of goodwill items
- Formation of long-term provisions
- Determination of the amount of current and deferred income tax assets and liabilities
- Actuarial calculations of defined benefit obligations

More information is given in the group accounting policies and notes.

**Basis of consolidation** The consolidated financial statements incorporate the financial statements of Bucher Industries AG and all its Swiss and foreign group entities (subsidiaries) where the company exercises control by directly or indirectly holding more than 50% of the voting rights or has acquired control through contractual arrangements. Using the full consolidation method, all assets, liabilities, income and expenses of the consolidated entities are included in the consolidated financial statements. Subsidiaries acquired during the year are consolidated from the date on which control is transferred to the Group and those disposed of are deconsolidated from the date that control ceases. Equity and profit or loss attributable to non-controlling interests are presented as separate line items in the consolidated balance sheet and income statement. All intercompany balances, transactions, cash flows and realised and unrealised profits are eliminated in the consolidated financial statements. The acquisition method is used to account for business combinations. Under this method, the acquiree's assets, liabilities and contingent liabilities are measured at their fair values using uniform group accounting policies. Any excess of the cost of acquisition over the fair value of the net assets acquired is recorded as goodwill. Any negative difference is recognised directly in the income statement in the reporting period. For each merger, the non-controlling interests are either carried at fair value or according to the proportion of net assets. Upon acquisition of non-controlling interests in a fully consolidated entity, any difference between the purchase price and the carrying amount of such non-controlling interests is recognised directly in retained earnings. Transaction costs are booked as expenses in the income statement. Any reduction in ownership interest that does not result in a loss of control is also recognised in equity.

**Associated companies and joint ventures** Associates are those entities in which Bucher Industries has significant influence, but not control, over the financial and operating policy decisions. A significant influence can generally be assumed with voting rights of 20% to 50%. Joint ventures are companies over whose activities the Group exercises leadership with one or more parties and where financial and operational decisions require the unanimous consent of the parties to joint control. Associated companies and joint ventures are initially recognised at cost. As part of the subsequent valuation, the equity method is used to adjust the carrying amount of the interest for proportionate earnings, less the proportionate profit disbursement.

**Foreign currency translation** The individual financial statements of each of the Group's foreign entities are held in the currency of the primary economic environment in which the entity operates (its functional currency). Within Bucher Industries, the functional currency is generally the local currency of the respective country. The consolidated financial statements are presented in Swiss francs, which is both the functional and presentation currency of Bucher Industries AG. For group entities that have a functional currency different from the Group's presentation currency, assets and liabilities are translated into Swiss francs at closing (middle) exchange rates at the date of the balance sheet, while items in the income statement and cash flow statement are translated at average exchange rates for the year (average of the twelve month-end middle exchange rates). Translation differences arising on consolidation are carried under other comprehensive income and are transferred to the income statement as profit or loss when a foreign operation is sold or liquidated. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Realised and unrealised foreign currency translation gains and losses relating to operating activities are presented within operating profit, while those relating to financing transactions are presented within net financial items. Derivative financial instruments used to hedge foreign currency risk exposures associated with assets and liabilities and with expected future cash flows are measured at fair value, with changes in the fair value recognised in the income statement. Exceptions are transactions designated for hedge accounting where gains and losses are recognised in other comprehensive income.

**Segment reporting** Segments are defined using the management approach. Although they are technologically related, the segments are quite distinct from each other in terms of products and sales markets. Responsibility for the management and performance of the segments is therefore decentralised. Assets, liabilities, income and expenses can be clearly allocated to the segments. Sales between segments are set on an arm's length basis.

**Financial assets** Financial assets are classified into the categories “held at fair value through profit or loss”, “loans and receivables at amortised cost”, “available-for-sale” and “held-to-maturity”. The classification depends on the purpose for which the financial assets were acquired. All financial assets are initially recognised at fair value, plus transaction costs in the case of financial instruments not recognised in income at fair value. Purchases and sales are recognised on the date of payment and delivery (settlement date). Management assesses at each reporting date whether there is any indication that an asset may be permanently impaired. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

“Held at fair value through profit or loss” Subsequent to initial recognition, money market instruments and derivative financial assets are measured at fair value, with changes in fair value recognised in the income statement.

“Loans and receivables at amortised cost” These include non-derivative financial assets such as loans and receivables with fixed or determinable payments. These financial assets are not listed on an active market and are carried at amortised cost using the effective interest method. If they become impaired or uncollectible, they are provided for in the income statement.

“Available-for-sale” Available-for-sale financial assets are non-derivatives that are either designated in this category or cannot be classified in any of the other categories. These assets are generally carried at fair value. If their fair value cannot be reliably determined, they are recognised at cost. Unrealised gains or losses are recognised in other comprehensive income as the “net change in fair value reserve” until they are realised. Interest is calculated using the effective interest method and recognised in the income statement. When an asset is disposed of or determined to be permanently impaired, the cumulative gains or losses recognised in other comprehensive income are taken to the income statement for the period.

“Held-to-maturity” These investments comprise assets with fixed maturity and fixed or determinable payments that the Group has the positive intention and ability to hold to maturity. These financial assets are measured at amortised cost using the effective interest method. Gains or losses on disposal, permanent impairment losses or amortisation are recognised in the income statement.

**Cash and cash equivalents** Cash and cash equivalents are defined as short-term, liquid financial investment that are readily convertible to defined cash amounts within a three month period and subject to the insignificant risk of changes in value. These include cash on hand, post-office and bank balances as well as short-term time deposits. There are no restrictions on cash and cash equivalents.

**Other financial assets** Marketable short-term investments (balance-sheet assets, bonds, money market investments) are classified as "available-for-sale" and "held at fair value through profit or loss". Fair value is determined by reference to quoted market prices. These assets include long-term investments (of less than 20%), long-term loans and other miscellaneous financial assets and are classified as "loans and receivables at amortised cost" or "available-for-sale". Charges and credits to the income statement are recorded in finance income.

**Receivables** Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method, net of specific provisions for known credit and country transfer risks. Allowances based on historical experience are made for risks associated with receivables not specifically identified as impaired. Provisions for impairment are included in other operating expenses.

**Derivative financial instruments and hedging activities** Derivative financial instruments, such as forward contracts and options, are used to hedge exposure to interest rate and foreign currency fluctuations. The first-time accounting and the subsequent valuation are made at the respective fair value. This is based on the market prices quoted on the reporting date. Changes in fair value are recognised in the income statement. Unrealised gains and losses on contracts to hedge operating cash flows are taken to operating profit, while those on contracts to hedge financing activities are taken to finance income and finance costs. Derivative financial instruments are recorded as other receivables or other liabilities as applicable.

Hedge accounting The Group uses hedge accounting to hedge selected transactions within the meaning of IAS 39. In so doing, future cash flows with a high probability of occurrence are hedged using cash flow hedges. Fair value hedges and net investment hedges were not used. At the inception of the hedge, Group treasury identifies and documents transactions which are designated as a hedged item for hedge accounting purposes. The effectiveness of a hedge instrument in terms of the cash flow hedged is checked and documented both on the date it is concluded and also during the entire term of the hedge. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. The non-effective portion is recorded in the income statement. Amounts accumulated in other comprehensive income are transferred to the income statement when the underlying transaction has been booked or the conditions for hedge accounting no longer apply.

**Inventories** Inventories are stated at the lower of cost and net realisable value. Cost is determined using either the weighted average or first-in, first-out method. The same method is used for inventories having a similar nature and use to the company. Where necessary, provision is made for all foreseeable losses on inventories of work in progress, goods and slow-moving items, with write-downs recognised in changes in inventories of finished goods and work in progress.

**Property, plant and equipment** Property, plant and equipment are stated at historical cost less accumulated depreciation. The different components are accounted for as separate items. Expenditure on improvements is capitalised. The costs of repairs, maintenance and replacements are charged to the income statement as they are incurred. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. Land is stated at cost and is not depreciated. The residual useful lives of property, plant and equipment are reviewed periodically. The Group has determined the following useful lives:

| | Years |
|---|---|
| Buildings and Infrastructure | 10 – 50 |
| Plant and machinery | 5 – 12 |
| Furniture, fixtures and equipment | 2 – 15 |

Low value assets are expensed directly to the income statement.

**Intangible assets** Goodwill, licences, patents, trademarks, customer lists, supplier relationships, software and similar rights are recognised as purchased intangible assets. Intangible assets are capitalised only if they will generate sustainable economic benefits. They are generally measured using the cost model. Intangible assets with finite useful lives are amortised on a straight-line basis over their expected residual lives, ranging from five to twenty years depending on the asset. Goodwill on acquisitions is not amortised, but is capitalised and tested for impairment annually or whenever there are indications of possible impairment. Expenditure on research activities is recorded as an expense in the period in which it is incurred. Development costs are capitalised and amortised over their useful lives only if the future economic benefits will be sufficient to recover the development costs and if the other criteria required by IAS 38 are met. Development costs that do not meet these criteria are expensed directly through the income statement.

**Impairment of non-financial assets** For goodwill, impairment is tested at least annually, while other assets are reviewed for impairment whenever there is an indication that they may be impaired. When there are indications of permanent impairment, the asset's recoverable amount is determined and compared with its current carrying amount. If the carrying amount exceeds the recoverable amount, the carrying amount is written down accordingly. Such impairment losses are recognised in the income statement. To enable impairment tests to be carried out on non-financial assets, these are consolidated as cash-generating units. Definition and differentiation vary from division to division. Goodwill is allocated to the cash-generating units or group of cash-generating units that are expected to benefit from the respective business combination. The recoverable amount of the cash-generating unit is determined on the basis of the value-in-use, which is influenced essentially by the cash flow projections, the discount rate before taxes (WACC) and the long-term growth rate. These calculations are based on the expected market trends and require the application of various assumptions and estimates. Actual cash flows may differ from those expected. Write-ups are performed if, in subsequent periods, the recoverable amount is higher than the book value. Assets are written up at most to the amount that would have resulted if the impairment had not been performed. Impairment losses on goodwill are not reversed.

**Borrowing costs** Borrowing costs for assets that require a substantial period of preparation until ready for their intended use are capitalised from the start of the construction phase until commissioning. The amount of borrowing costs to be capitalised depends on the actual costs incurred in connection with the borrowing of funds for the specific asset. All other borrowing costs are expensed on an accrual basis directly in the period they occur.

**Discontinued operations and non-current assets held for sale** Non-current assets or groups of non-current assets are reclassified as being held for sale if the associated carrying amount is mostly to be realised by the sale and not from continued use. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and any impairment losses are recognised in the income statement.

**Financial liabilities** Financial liabilities include short-term and long-term borrowings, trade payables and other liabilities. Financial liabilities are initially recognised at fair value plus any directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. A financial liability is derecognised when the obligation underlying this liability has been fulfilled, terminated or has expired.

**Provisions** A provision is recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required in the future to settle the obligation, and the amount can be reliably estimated. However, actual cash outflows and their timing may differ significantly depending on the outcome of events. Restructuring provisions are recognised only when the Group has a detailed formal plan for restructuring and has announced or already started to implement the restructuring plan. Future losses are not provided for. Provisions are valued at the cash value of the anticipated costs.

**Equity/treasury shares** Retained earnings include amounts paid in by shareholders in excess of the par value of shares (share premium). Treasury shares are recorded as a deduction from equity. Realised gains or losses on the sale of treasury shares are also recognised in equity as a component of retained earnings. The same applies to the cost of share-based payments (share plans). Dividends are charged to equity in the period in which they are approved by the general meeting of shareholders.

**Net sales/revenue recognition** Revenues are measured at the fair value of the consideration received, net of value-added tax and sales deductions such as sales incentives, rebates and trade discounts. Bucher Industries books revenues when the amount can be reliably assessed and the likelihood of a future economic benefit is clear. The sale of goods and services is recognised when the service is rendered or when the risks and rewards of ownership have been transferred. The timing of the transfer depends, amongst other things, on specific contract criteria or the agreed international commercial terms (Incoterms). The rendering of services is based on agreements with the customer. Revenue from services rendered is recognised by reference to the stage of completion.

**Interest income/dividend** Interest income is recorded over the anticipated term, so that it reflects the effective income on an asset. Dividends are recorded if shareholders are able to assert a legal claim.

**Income tax** The tax expense for the period comprises current and deferred income tax. Tax is recognised in the income statement, except where it relates to items recognised directly in other comprehensive income or in equity. In this case, the tax is also recognised in the corresponding account.

Current income tax Current income tax is calculated on the basis of the local tax laws enacted at the reporting date in the countries where the group entities operate and generate taxable income. Provision is made for all current tax liabilities. Taxes that are not based on taxable profit are charged to other operating expenses.

Deferred income tax In measuring deferred income tax assets and liabilities, the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements are determined at individual group entity level (balance sheet liability method). Deferred income tax assets and liabilities are measured and recognised using tax rates and laws that have been enacted or substantially enacted in the respective countries by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Potential tax benefits arising from tax losses carried forward and temporary differences are reviewed annually and recognised only to the extent that it is probable that they will be realised through future taxable profits against which the losses can be utilised. Assessing the probability of realising potential tax savings is based on planning data and requires assumptions and estimates to be made. Deferred tax liabilities connected with non-distributed profits for group companies, associated companies and joint ventures are taken into account unless the Group can fully determine the disbursement policy for the corresponding companies and if no dividend payments are to be expected in the foreseeable future, and also for the initial recognition of goodwill or of assets and liabilities that do not affect taxable profit.

**Retirement benefits** Bucher Industries operates a number of defined benefit and defined contribution pension plans. In the case of defined contribution plans, contributions are paid in on the basis of a statutory or contractual obligation, or on a voluntary basis. Apart from these contributions, there are no other payment obligations. Defined benefit obligations are calculated by independent actuaries using the projected unit credit method every one to three years, depending on the materiality of the pension plan. Actuarial calculations of defined benefit obligations are based on statistical and actuarial assumptions, such as expected inflation rates, future salary increases, probable turnover rates and life expectancies of plan members, as well as discount rates, which may deviate from actual future developments. Actuarial gains and losses are recognised to the full amount in other comprehensive income in the period in which they occur. The Group's contributions, the past service costs and benefit entitlements arising from changes in the plans are charged to the income statement. Surpluses in pension schemes are only recognised when they are actually available to the Group in the form of future contributions or reductions in future contributions to the plan.

**Share-based payment schemes** comprise the Bucher Share Plan and the options awarded in previous years.

The Bucher Share Plan is a share-based, performance-related component of remuneration for the members of group management, senior managers in the divisions and selected specialists. The annual financial targets for the award of shares are set by the board of directors at the beginning of each financial year, taking into account the Group's long-term targets, results for the past year, budget for the current year and the general economic conditions. Awards are based on a percentage of basic salary as well as the achievement of the Group's annual financial "earnings per share" target. The shares awarded are calculated using the share price on the reporting date. The number of shares to be awarded to the members of group management is subject to the approval of the annual general meeting. This is granted retrospectively. The share price on the reporting date is taken as the best estimate for valuation of the plans. The costs are recognised in the income statement on an accrual basis. In the following year, the estimate is adjusted to take account of the share price at the date of approval through the income statement. A corresponding entry is made in equity. The shares required for awards under the share plans are purchased in the open market and held by Bucher Beteiligungs-Stiftung, a consolidated employee share ownership trust.

Share option plans No share options have been granted since the 2010 financial year. Share options granted in respect of previous reporting years remain valid as originally provided and may be exercised at any time. One option entitles the holder to purchase one registered share of Bucher Industries AG. The options are not negotiable.

**Leases** A finance lease is defined as a lease that transfers substantially all the risks and rewards of ownership of an asset. Ownership may or may not eventually be transferred. An operating lease is a lease other than a finance lease. Bucher Industries enters into contracts both as lessor and lessee.

Group as lessee Assets held under finance leases in which Bucher Industries acts as lessee are, on initial recognition, capitalised at the lower of their fair value and the present value of the future minimum lease payments and are then depreciated over the shorter of their estimated useful lives and the lease term. The corresponding obligations are carried as liabilities. In the case of operating leases, payments are charged to the income statement on a straight-line basis over the lease term.

Group as lessor Assets held under finance leases in which Bucher Industries acts as lessor are recorded as receivables with a value equivalent to the amount of the net investment. Leasing income from finance leases is recognised according to the effective interest method over the lease term.

**Government grants** Grants from the government are recognised only where there is a reasonable assurance that all attached conditions will be complied with and the grant will be received. They are recognised at their fair value. The grants are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

# Notes to the consolidated financial statements

## 1 Segment reporting

The Group comprises five divisions: specialised agricultural machinery (Kuhn Group), municipal vehicles (Bucher Municipal), hydraulic components (Bucher Hydraulics), manufacturing equipment for the glass container industry (Bucher Emhart Glass), equipment for making wine and fruit juice, a distributorship for tractors and specialised agricultural machinery in Switzerland, and control systems for automation technology (Bucher Specials).

### Segment information

| CHF million | Net sales | | Depreciation | | Amortisation | | Operating profit (EBIT) | |
|---|---|---|---|---|---|---|---|---|
| | **2017** | **2016** | **2017** | **2016** | **2017** | **2016** | **2017** | **2016** |
| Kuhn Group | 1 075.6 | 930.0 | –32.9 | –32.4 | –7.1 | –8.9 | 93.0 | 74.2 |
| Bucher Municipal | 425.7 | 389.2 | –8.1 | –7.8 | –3.0 | –2.5 | 26.1 | 14.5 |
| Bucher Hydraulics | 545.9 | 475.2 | –17.1 | –17.3 | –2.6 | –2.2 | 74.7 | 56.6 |
| Bucher Emhart Glass | 381.2 | 370.8 | –9.3 | –9.5 | –1.9 | –3.1 | 25.2 | 26.3 |
| Bucher Specials | 271.6 | 263.3 | –3.3 | –3.1 | –2.5 | –2.7 | 22.1 | 21.1 |
| **Reportable segments** | **2 700.0** | **2 428.5** | **–70.7** | **–70.1** | **–17.1** | **–19.4** | **241.1** | **192.7** |
| Other/consolidation | –52.6 | –48.1 | –3.8 | –3.7 | – | – | –14.7 | –23.4 |
| **Group** | **2 647.4** | **2 380.4** | **–74.5** | **–73.8** | **–17.1** | **–19.4** | **226.4** | **169.3** |

The performance of each of the divisions is evaluated on the basis of operating profit or loss which is measured consistently for management reporting. The figures reported as "other/consolidation" comprise the results of the holding, finance and management companies, the consolidation adjustments for intersegment transactions, as well as the one-time effect of the decision to lower the conversion rate. Further details are set out in note 18. Intersegment sales amounted to CHF 13.1 million (2016: CHF 11.5 million) for Kuhn Group, CHF 3.8 million (CHF 3.1 million) for Bucher Hydraulics and CHF 35.6 million (CHF 33.4 million) for Bucher Specials. The other divisions had only marginal intersegment sales.

| CHF million | Capital expenditure | | Goodwill | | Operating assets | | Operating liabilities | |
|---|---|---|---|---|---|---|---|---|
| | **2017** | **2016** | **2017** | **2016** | **2017** | **2016** | **2017** | **2016** |
| Kuhn Group | 33.7 | 30.7 | 67.3 | 69.9 | 887.8 | 800.4 | − 453.5 | − 369.1 |
| Bucher Municipal | 6.5 | 5.0 | 22.6 | 20.8 | 335.7 | 294.4 | − 117.6 | − 95.1 |
| Bucher Hydraulics | 21.0 | 20.6 | 3.5 | 3.7 | 349.8 | 314.2 | − 84.5 | − 62.0 |
| Bucher Emhart Glass | 7.8 | 13.7 | 21.9 | 21.2 | 341.0 | 334.6 | − 134.6 | − 111.1 |
| Bucher Specials | 4.1 | 4.3 | 4.2 | 3.9 | 156.3 | 143.4 | − 67.4 | − 55.1 |
| **Reportable segments** | **73.1** | **74.3** | **119.5** | **119.5** | **2 070.6** | **1 887.0** | **− 857.6** | **− 692.4** |
| Other/consolidation | 3.1 | 3.9 | 17.4 | 18.3 | 28.1 | 27.8 | 13.7 | 6.0 |
| **Group** | **76.2** | **78.2** | **136.9** | **137.8** | **2 098.7** | **1 914.8** | **− 843.9** | **− 686.4** |

Operating assets include current and non-current receivables, inventories, property, plant and equipment and intangible assets. Operating liabilities comprise trade payables, advances from customers, other liabilities and provisions.

## Reconciliation of segment results

| CHF million | | |
|---|---|---|
| | **2017** | **2016** |
| Segment operating profit (EBIT) | 241.1 | 192.7 |
| Other/consolidation | − 14.7 | − 23.4 |
| **Operating profit (EBIT)** | **226.4** | **169.3** |
| Share of profit/(loss) of associates and joint ventures | 0.4 | 0.6 |
| Finance costs | − 8.8 | − 12.4 |
| Finance income | 7.3 | 3.1 |
| **Profit before tax** | **225.3** | **160.6** |

## Reconciliation of segment assets

| CHF million | | |
|---|---|---|
| | **2017** | **2016** |
| **Segment operating assets** | **2 070.6** | **1 887.0** |
| Other/consolidation | 28.1 | 27.8 |
| **Operating assets** | **2 098.7** | **1 914.8** |
| Cash and cash equivalents and other financial assets – current | 540.5 | 417.9 |
| Other financial assets – non-current | 10.4 | 11.5 |
| Other assets | 3.2 | 3.0 |
| Investments in associates and joint ventures | 13.3 | 11.6 |
| Deferred income tax assets | 53.7 | 60.8 |
| **Assets** | **2 719.8** | **2 419.6** |

## Reconciliation of segment liabilities

| CHF million | 2017 | 2016 |
|---|---|---|
| **Segment operating liabilities** | **–857.6** | **–692.4** |
| Other/consolidation | 13.7 | 6.0 |
| **Operating liabilities** | **–843.9** | **–686.4** |
| Financial liabilities – current | –60.6 | –40.7 |
| Financial liabilities – non-current | –265.7 | –315.8 |
| Other liabilities | –5.6 | –5.1 |
| Deferred income tax liabilities | –54.6 | –51.4 |
| Retirement benefit obligations | –57.3 | –96.6 |
| **Liabilities** | **–1 287.7** | **–1 196.0** |

## Net sales and assets by region

| CHF million | Net sales | | Property, plant and equipment and intangible assets | |
|---|---|---|---|---|
| | **2017** | **2016** | **2017** | **2016** |
| Switzerland | 105.3 | 102.8 | 88.6 | 89.8 |
| Germany | 381.8 | 345.3 | 86.1 | 78.7 |
| France | 307.8 | 297.6 | 136.6 | 125.9 |
| Rest of Europe | 788.3 | 679.1 | 211.0 | 199.6 |
| North America | 520.6 | 476.2 | 144.2 | 156.7 |
| Central and South America | 144.9 | 133.1 | 83.9 | 91.4 |
| Asia | 238.5 | 210.6 | 75.8 | 76.6 |
| Other | 160.2 | 135.7 | 23.4 | 22.8 |
| **Total** | **2 647.4** | **2 380.4** | **849.6** | **841.5** |

Net sales have been allocated to the countries of destination.

## 2 Acquisitions

Acquisitions and disposals No significant acquisitions or disposals were made during the current reporting period. The purchase price allocation for the acquisitions of J.Hvidtved Larsen A/S (JHL) and the operating business of PakMor Waste Equipment Australia Pty., Sydney was completed during the reporting period. The opening values reported in the 2016 annual report remain unchanged.

### Net assets and cash flow from acquisitions

| CHF million | 2017 | 2016 |
|---|---|---|
| Current assets | – | 27.7 |
| Non-current assets | – | 39.3 |
| Current liabilities | – | – 19.2 |
| Non-current liabilities | – | – 10.3 |
| **Net assets** | **–** | **37.5** |
| Goodwill | – | 15.9 |
| **Total purchase consideration** | **–** | **53.4** |
| Cash and cash equivalents | – | – 2.0 |
| Deferred consideration | – | – 0.7 |
| Deferred consideration relating to previous years | 0.4 | – |
| **Net cash flow on acquisitions** | **0.4** | **50.7** |

The deferred payments from previous years stem from the 2016 acquisition of the operating business of PakMor Waste Equipment Australia Pty., Sydney.

## 3 Receivables

| CHF million | Current | Non-current | Total | Current | Non-current | Total |
|---|---|---|---|---|---|---|
| | | | **2017** | | | **2016** |
| Trade receivables | 445.5 | 3.3 | 448.8 | 377.6 | 3.9 | 381.5 |
| Notes receivable | 11.7 | – | 11.7 | 11.9 | – | 11.9 |
| **Trade receivables, net** | **457.2** | **3.3** | **460.5** | **389.5** | **3.9** | **393.4** |
| Other receivables | 48.1 | 4.3 | 52.4 | 37.0 | 4.2 | 41.2 |
| Prepayments to suppliers | 6.5 | – | 6.5 | 4.6 | – | 4.6 |
| Derivative financial instruments | 3.1 | 0.1 | 3.2 | 2.6 | 0.3 | 2.9 |
| Accrued income | 9.7 | – | 9.7 | 9.2 | – | 9.2 |
| **Other receivables** | **67.4** | **4.4** | **71.8** | **53.4** | **4.5** | **57.9** |
| **Receivables** | **524.6** | **7.7** | **532.3** | **442.9** | **8.4** | **451.3** |

### Ageing analysis of trade receivables

CHF million

| | 2017 | 2016 |
|---|---|---|
| Trade receivables, gross | 491.5 | 421.9 |
| Amount provided for | −31.0 | −28.5 |
| **Receivables, net** | **460.5** | **393.4** |
| Not due | 380.5 | 328.1 |
| Not due, amount provided for | −5.6 | −6.0 |
| Past due, within 30 days | 57.1 | 42.7 |
| Past due, from 31 to 90 days | 21.7 | 17.9 |
| Past due, more than 90 days | 32.2 | 33.2 |
| Past due, amount provided for | −25.4 | −22.5 |

The due dates of trade receivables are constantly monitored. The sum overdue relates to trade receivables whose agreed payment deadline has been exceeded.

### Movements in the provision for impairment of trade receivables

CHF million

| | 2017 | 2016 |
|---|---|---|
| Balance at 1 January | 28.5 | 21.2 |
| Exchange differences | 1.5 | 0.6 |
| Provision for receivables impairment | 4.1 | 9.3 |
| Unused amounts reversed | −2.6 | −1.8 |
| Receivables written-off during the year as uncollectible | −0.5 | −0.8 |
| **Balance at 31 December** | **31.0** | **28.5** |

## 4 Inventories

CHF million

| | 2017 | 2016 |
|---|---|---|
| Raw materials and consumables | 182.3 | 155.2 |
| Work in progress | 170.3 | 147.4 |
| Finished goods and goods for resale | 341.4 | 297.5 |
| **Inventories** | **694.0** | **600.1** |
| Change of write-downs | 6.5 | 4.7 |

In the reporting period, CHF 8.2 million was written off directly via the income statement (2016: CHF 0.2 million). This includes the inventory adjustments at the joint venture Sanjin of CHF 7.8 million.

## 5 Property, plant and equipment

| CHF million | Land and buildings | Plant and machinery | Furniture, fixtures and equipment | Prepayments and assets under construction | Total |
|---|---|---|---|---|---|
| | | | | | **2017** |
| Cost at 1 January | 625.4 | 511.4 | 214.2 | 28.6 | 1 379.6 |
| Exchange differences | 27.3 | 24.7 | 10.2 | 2.2 | 64.4 |
| Additions | 8.0 | 18.4 | 15.4 | 30.0 | 71.8 |
| Disposals | − 1.9 | − 12.7 | − 11.6 | − 0.5 | − 26.7 |
| Transfers | 2.8 | 9.2 | 4.2 | − 16.2 | – |
| **Cost at 31 December** | **661.6** | **551.0** | **232.4** | **44.1** | **1 489.1** |
| Accumulated depreciation at 1 January | − 258.2 | − 366.9 | − 159.4 | – | − 784.5 |
| Exchange differences | − 12.7 | − 19.4 | − 8.1 | – | − 40.2 |
| Disposals | 1.9 | 11.9 | 11.0 | – | 24.8 |
| Depreciation for the year | − 24.3 | − 33.0 | − 17.2 | – | − 74.5 |
| **Accumulated depreciation at 31 December** | **− 293.3** | **− 407.4** | **− 173.7** | **–** | **− 874.4** |
| **Net book value at 31 December** | **368.3** | **143.6** | **58.7** | **44.1** | **614.7** |
| | | | | | **2016** |
| Cost at 1 January | 594.5 | 508.4 | 204.2 | 18.9 | 1 326.0 |
| Exchange differences | − 2.0 | − 0.5 | − 3.0 | – | − 5.5 |
| Acquisition/disposal of subsidiaries | 6.4 | 6.4 | 1.5 | – | 14.3 |
| Additions | 14.2 | 15.7 | 16.7 | 29.2 | 75.8 |
| Disposals | − 7.1 | − 11.1 | − 12.0 | − 0.8 | − 31.0 |
| Transfers | 19.4 | − 7.5 | 6.8 | − 18.7 | – |
| **Cost at 31 December** | **625.4** | **511.4** | **214.2** | **28.6** | **1 379.6** |
| Accumulated depreciation at 1 January | − 232.8 | − 352.2 | − 152.1 | – | − 737.1 |
| Exchange differences | 0.9 | 1.4 | 1.8 | – | 4.1 |
| Acquisition/disposal of subsidiaries | − 2.5 | − 1.3 | − 0.9 | – | − 4.7 |
| Disposals | 5.3 | 10.8 | 10.9 | – | 27.0 |
| Depreciation for the year | − 24.1 | − 33.2 | − 16.5 | – | − 73.8 |
| Transfers | − 5.0 | 7.6 | − 2.6 | – | – |
| **Accumulated depreciation at 31 December** | **− 258.2** | **− 366.9** | **− 159.4** | **–** | **− 784.5** |
| **Net book value at 31 December** | **367.2** | **144.5** | **54.8** | **28.6** | **595.1** |

The net book value of assets under finance leases amounted to CHF 15.5 million in the reporting year (2016: CHF 16.2 million).

## 6 Intangible assets

| CHF million | Goodwill | Trademarks | Customer relation | Licences/ Patents | Other | Total |
|---|---|---|---|---|---|---|
| | | | | | | **2017** |
| Cost at 1 January | 229.1 | 50.7 | 85.4 | 172.7 | 22.1 | 560.0 |
| Exchange differences | −0.2 | 0.1 | 0.4 | 12.4 | 1.5 | 14.2 |
| Additions | – | – | – | 2.3 | 2.1 | 4.4 |
| Disposals | – | – | – | −0.1 | −0.2 | −0.3 |
| **Cost at 31 December** | **228.9** | **50.8** | **85.8** | **187.3** | **25.5** | **578.3** |
| Accumulated amortisation at 1 January | −91.3 | −25.4 | −25.9 | −151.3 | −19.7 | −313.6 |
| Exchange differences | −0.7 | – | 0.4 | −11.3 | −1.4 | −13.0 |
| Disposals | – | – | – | 0.1 | 0.2 | 0.3 |
| Amortisation for the year | – | −4.0 | −5.8 | −6.3 | −1.0 | −17.1 |
| **Accumulated amortisation at 31 December** | **−92.0** | **−29.4** | **−31.3** | **−168.8** | **−21.9** | **−343.4** |
| **Net book value at 31 December** | **136.9** | **21.4** | **54.5** | **18.5** | **3.6** | **234.9** |
| | | | | | | **2016** |
| Cost at 1 January | 202.0 | 39.0 | 64.1 | 170.5 | 21.2 | 496.8 |
| Exchange differences | 11.2 | 2.6 | 2.6 | 0.6 | 0.1 | 17.1 |
| Acquisition/disposal of subsidiaries | 15.9 | 9.1 | 18.7 | 1.6 | 1.6 | 46.9 |
| Additions | – | – | – | 2.4 | – | 2.4 |
| Disposals | – | – | – | −2.4 | −0.8 | −3.2 |
| **Cost at 31 December** | **229.1** | **50.7** | **85.4** | **172.7** | **22.1** | **560.0** |
| Accumulated amortisation at 1 January | −88.5 | −21.0 | −19.7 | −143.7 | −18.3 | −291.2 |
| Exchange differences | −2.8 | −0.6 | −0.7 | −0.6 | 0.1 | −4.6 |
| Acquisition/disposal of subsidiaries | – | – | – | −0.7 | −0.8 | −1.5 |
| Disposals | – | – | – | 2.4 | 0.7 | 3.1 |
| Amortisation for the year | – | −3.8 | −5.5 | −8.7 | −1.4 | −19.4 |
| **Accumulated amortisation at 31 December** | **−91.3** | **−25.4** | **−25.9** | **−151.3** | **−19.7** | **−313.6** |
| **Net book value at 31 December** | **137.8** | **25.3** | **59.5** | **21.4** | **2.4** | **246.4** |

In the reporting year, as in the previous year, no research and development costs were capitalised. Research and development costs mainly comprised expenditure to update and extend the divisions' product and service offerings and are included in raw materials and consumables used, employment costs, other operating expenses and depreciation of property, plant and equipment. Research and development costs of CHF 110.0 million (2016: CHF 99.4 million) were charged to the income statement.

Assessment of the recoverability of goodwill positions The management of Bucher Industries monitors the recoverability of goodwill positions at divisional level for Kuhn Group, Bucher Municipal, Bucher Hydraulics and Bucher Emhart Glass as well as for the individual business units of Bucher Specials. The cash-generating units at divisional and individual business unit level were consolidated as a consequence. Bucher Industries uses the discounted cash flow (DCF) method to assess the recoverability of goodwill, based on value in use. The calculations were based on the financial budgets for the next three years (2018 to 2020). These budgets take account of the latest management estimates regarding sales and prices as well as operating costs and are based on the assumption of no significant organisational changes. Cash flows beyond the budget period were estimated on the basis of prudently calculated growth rate projections. The growth rates and capital costs take account of specific weighted country and currency risks. The cost of equity was determined using the capital-asset pricing model.

## Allocation of goodwill to cash-generating units

| CHF million | Growth rates | WACC [1] | Goodwill | Growth rates | WACC [1] | Goodwill |
|---|---|---|---|---|---|---|
| | **%** | **%** | **2017** | **%** | **%** | **2016** |
| Kuhn Group | 1.7 | 7.8 | 67.3 | 1.7 | 8.1 | 69.9 |
| Bucher Municipal | 1.5 | 7.3 | 22.6 | 1.4 | 7.2 | 20.8 |
| Bucher Hydraulics [2] | 0.9 | 7.1 | 20.9 | 0.5 | 6.7 | 22.0 |
| Bucher Emhart Glass | 1.1 | 6.7 | 21.9 | 1.1 | 6.7 | 21.2 |
| Bucher Specials | 0.1-0.5 | 5.9-6.6 | 4.2 | 0.0-0.3 | 5.8-6.6 | 3.9 |
| **Goodwill** | | | **136.9** | | | **137.8** |

[1] Pre-tax
[2] The goodwill is recognised in the Bucher Industries US holding company and for impairment testing was allocated in its entirety to the Bucher Hydraulics division.

Sensitivity analysis The sensitivity analysis conducted by management shows that in all cash-generating units neither a reduction of growth rates in the residual value to 0%, nor an increase in weighted average capital costs by 0.5% percentage points would affect the result of the impairment test.

## 7 Other financial assets

| CHF million | 2017 | 2016 |
|---|---|---|
| Money market investment | 3.0 | 1.0 |
| Bonds | 24.4 | 26.3 |
| Pension asset | 1.3 | 1.3 |
| Long-term loans | 7.2 | 8.4 |
| Other | 1.8 | 1.8 |
| **Other financial assets** | **37.7** | **38.8** |
| Current portion | 27.3 | 27.3 |
| Non-current portion | 10.4 | 11.5 |

Changes in bond values are recognised in other comprehensive income and amounted to CHF 0.5 million (2016: CHF 0.7 million).

## 8 Investments in associates and joint ventures

| CHF million | 2017 | 2016 |
|---|---|---|
| Balance at 1 January | 11.6 | 11.2 |
| Exchange differences | 1.1 | −0.1 |
| Additions | 0.3 | – |
| Disposals | – | – |
| Share of profit/(loss) | 0.4 | 0.6 |
| Share of other comprehensive income | – | – |
| Dividend received | −0.1 | −0.1 |
| **Balance at 31 December** | **13.3** | **11.6** |

In the reporting period, the joint venture Bucher Leopard Enterprise Management Company Ltd was founded in China together with a Chinese partner (each 50%). The additions regard the capital contribution; the proportionate results were immaterial.

### Aggregated financial information of associates and joint ventures

| CHF million | Associates | Joint ventures | Associates | Joint ventures |
|---|---|---|---|---|
| | | 2017 | | 2016 |
| Profit/(loss) for the year | 2.2 | −0.2 | 2.0 | – |
| Other comprehensive income | – | – | – | – |
| **Comprehensive income** | **2.2** | **−0.2** | **2.0** | **–** |

## 9 Financial liabilities

| CHF million | 2017 | 2016 |
|---|---|---|
| Bonds | 199.7 | 199.6 |
| Other bank borrowings | 94.5 | 116.5 |
| Finance lease liabilities | 11.2 | 13.6 |
| Loans and other financial liabilities | 20.9 | 26.8 |
| **Financial liabilities** | **326.3** | **356.5** |
| Current portion | 60.6 | 40.7 |
| Non-current portion | 265.7 | 315.8 |

The decrease in financial liabilities is primarily due to cash changes, see consolidated cash flow statement, as well as currency differences of CHF 3.3 million.

### Bonds

| CHF million | Company | Term | Currency | Nominal value | Effective interest rate | Total 2017 | Total 2016 |
|---|---|---|---|---|---|---|---|
| Bond, Switzerland 0.625% | Bucher Industries AG | 2014–2020 | CHF | 100.0 | 1.3%[1] | 99.7 | 99.6 |
| Bond, Switzerland 1.375% | Bucher Industries AG | 2014–2024 | CHF | 100.0 | 1.4% | 100.0 | 100.0 |
| **Bonds** | | | | | | **199.7** | **199.6** |

[1] Additionally includes 0.6 percentage points from interest-rate forward contracts

Other bank borrowings These include CHF 55.0 million (2016: CHF 75.0 million) in bilateral loans from committed credit facilities as well as CHF 39.5 million (CHF 41.5 million) from uncommitted credit facilities. The bilateral loans bear interest at rates of between 0.75% and 1.37% and are due for repayment from 2018 to 2022. Undrawn committed credit facilities on 31 December totalled CHF 210.0 million (CHF 230.0 million). The financial covenants are reviewed every six months. All terms of credit were complied with on the reporting date of 31 December 2017.

## 10 Provisions

| CHF million | Warranties | Legal claims | Other | Total 2017 | Total 2016 |
|---|---|---|---|---|---|
| Balance at 1 January | 41.9 | 18.5 | 12.5 | 72.9 | 62.3 |
| Additional provisions | 31.1 | 5.7 | 1.1 | 37.9 | 45.8 |
| Unused amounts reversed | −3.4 | −2.3 | −0.8 | −6.5 | −7.6 |
| Used during year | −27.7 | −2.4 | −2.9 | −33.0 | −29.3 |
| Acquisition/disposal of subsidiaries | – | – | – | – | 0.4 |
| Exchange differences | 2.4 | 0.2 | 0.5 | 3.1 | 1.3 |
| **Balance at 31 December** | **44.3** | **19.7** | **10.4** | **74.4** | **72.9** |
| Current portion | 42.8 | 14.0 | 4.8 | 61.6 | 58.5 |
| Non-current portion | 1.5 | 5.7 | 5.6 | 12.8 | 14.4 |

A provisions for warranty claims is recognised when the products are sold and measured on the basis of historical data for the last two years. The timing of cash outflows depends on the dates when warranty claims are filed and/or the relevant cases settled. Warranty costs incurred are offset against the accrued provisions when paid.

The provision for legal claims covers risks associated with accidents, distribution rights and patents or other legal disputes. The resources required and timing of any cash outflows are difficult to predict and are usually recognised as short-term if a decision can be expected within a one-year period. However, depending on the course of the proceedings, it may be several years before an outflow of resources actually occurs.

Other provisions concern risks associated with the Group's industrial operations as well as costs from restructuring. The concentration of sweeper production in Latvia and the UK was completed at the end of the year. The provision recognised in the prior year of CHF 1.7 million was used accordingly. The further decline in other provisions is primarily due to the use of provisions for restructuring measures at Bucher Emhart Glass in China.

## 11 Contingent liabilities and other commitments

Contingent liabilities CHF 0.8 million in contingent liabilities (2016: CHF 0.9 million) consist of guarantees given in respect of goods sold and services provided. The amount represents the maximum amount of the obligations assumed. These contingent liabilities are not expected to give rise to any outflows of funds. Following the filing of a complaint, the Swiss Competition Commission (COMCO) opened an investigation into Bucher Landtechnik AG on 14 March 2017. The Group is cooperating with COMCO to help clarify the matter.

Other commitments As in the previous year, the Group did not enter into any commitments to purchase plant and equipment. Commitments relating to operational leases are disclosed in note 22.

## 12 Other liabilities

CHF million

| | 2017 | 2016 |
|---|---|---|
| Accruals and deferred income | 142.0 | 124.9 |
| Social security and pensions | 25.7 | 22.7 |
| Sales and capital tax liabilities | 38.5 | 29.2 |
| Derivative financial instruments | 5.4 | 4.8 |
| Other | 26.1 | 28.4 |
| **Other liabilities** | **237.7** | **210.0** |
| Current portion | 219.0 | 189.9 |
| Non-current portion | 18.7 | 20.1 |

Accruals and deferred income mainly includes accruals for employment costs such as accrued holiday and overtime pay and variable remuneration, as well as accruals for commissions and contract-related liabilities.

## 13 Earnings per share

| | 2017 | 2016 |
|---|---|---|
| Profit/(loss) attributable to owners of Bucher Industries (CHF million) | 170.9 | 118.7 |
| Average number of shares outstanding (undiluted) | 10 171 322 | 10 118 625 |
| Average number of shares outstanding (diluted) | 10 183 429 | 10 137 303 |
| Basic earnings per share (CHF) | 16.81 | 11.73 |
| Diluted earnings per share (CHF) | 16.79 | 11.71 |
| Dividend per registered share (CHF) 1) | 6.50 | 5.00 |
| Total dividend (CHF million) 1) | 66.6 | 51.3 |

1) 2017: Proposed by the board of directors

The average number of shares outstanding is calculated on the basis of the number of shares issued, less the weighted average number of treasury shares held.

### Share capital

| | | 2017 | 2016 |
|---|---|---|---|
| Par value | CHF | 0.20 | 0.20 |
| Outstanding shares | number | 10 224 434 | 10 126 129 |
| Treasury shares | number | 25 566 | 123 871 |
| **In issue and ranking for dividend** | **number** | **10 250 000** | **10 250 000** |
| Authorised but unissued | number | 1 184 100 | 1 184 100 |
| Issued share capital | CHF million | 2.1 | 2.1 |

The share capital of Bucher Industries AG consists of one class of voting rights.

### Treasury shares

| CHF million | Number of shares | 2017 | Number of shares | 2016 |
|---|---|---|---|---|
| Balance at 1 January | 123 871 | 17.7 | 139 839 | 12.4 |
| Purchases of treasury shares | – | – | 31 470 | 7.4 |
| Sales of treasury shares | – 68 777 | – 12.7 | – | – |
| Reissued for share-based payment schemes | – 29 528 | – 1.3 | – 47 438 | – 2.1 |
| **Balance at 31 December** | **25 566** | **3.7** | **123 871** | **17.7** |

## 14 Employment costs

| CHF million | 2017 | 2016 |
|---|---|---|
| Wages and salaries | – 504.8 | – 473.7 |
| Share awards | – 2.8 | – 2.0 |
| Social security costs | – 85.3 | – 80.6 |
| Defined contribution costs | – 29.5 | – 27.4 |
| Defined benefit costs | – 9.5 | – 15.4 |
| Other employment costs | – 76.5 | – 53.1 |
| **Employment costs** | **– 708.4** | **– 652.2** |

Other employment costs comprise incidental costs of staff recruitment, training and development as well as external staff costs.

## 15 Other operating income and expenses

CHF million

| | 2017 | 2016 |
|---|---|---|
| Own work capitalised | 0.6 | 0.3 |
| Gain on sale of non-current assets | 0.1 | 0.8 |
| Other income | 20.2 | 19.2 |
| **Other operating income** | **20.9** | **20.3** |
| Energy, maintenance and repairs | −99.4 | −92.2 |
| Charges, levies, taxes and consulting fees | −42.3 | −36.5 |
| Marketing and distribution costs | −110.8 | −104.5 |
| Insurance expenses | −6.7 | −6.7 |
| Operating lease expenses | −11.9 | −10.8 |
| Miscellaneous operating expenses | −63.5 | −69.5 |
| **Other operating expenses** | **−334.6** | **−320.2** |

Other operating income comprises revenue from sales of goods and services that are outside the normal course of the Group’s business. Miscellaneous operating expenses include operating foreign exchange items and changes in necessary provisions for operating liabilities that cannot be charged to an appropriate expense account.

## 16 Net financial items

CHF million

| | 2017 | 2016 |
|---|---|---|
| Interest expense on financial liabilities | −5.5 | −8.1 |
| Financial foreign exchange gains and losses | −2.2 | −2.7 |
| Other finance costs | −1.1 | −1.6 |
| **Finance costs** | **−8.8** | **−12.4** |
| Interest income on financial assets | 2.6 | 1.4 |
| Net gain on financial instruments | 4.6 | 1.6 |
| Other finance income | 0.1 | 0.1 |
| **Finance income** | **7.3** | **3.1** |
| Share of profit/(loss) of associates and joint ventures | 0.4 | 0.6 |
| **Net financial items** | **−1.1** | **−8.7** |
| Of which financial items relating to: | | |
| Financial instruments; at amortised cost | −9.0 | −10.5 |
| Financial instruments; fair value through profit or loss | 4.3 | 1.0 |
| Financial instruments; available-for-sale | 3.2 | 0.2 |

In the reporting year, the sale of available-for-sale securities from comprehensive income was recognised in the income statement in the amount of CHF 3.2 million (2016: none). As in the previous year, no borrowing costs were capitalised.

## 17 Income tax

The reconciliation is based on the tax rates applicable in the respective tax jurisdictions. The applicable tax rate represents the weighted average of the tax rates. As the Group operates in various countries, the weighted average tax rate may vary from period to period to reflect the profits in the respective countries and the impact of any changes in tax rate.

### Effective income tax expense

| CHF million | 2017 | 2016 |
|---|---|---|
| Current income tax | –56.9 | –51.3 |
| Deferred income tax | –0.7 | 9.1 |
| **Income tax expense** | **–57.6** | **–42.2** |
| Reconciliation: | | |
| Profit before tax | 225.3 | 160.6 |
| Weighted average tax rate | 26.9% | 27.7% |
| **Theoretical income tax charge** | **–60.6** | **–44.5** |
| Utilisation of unrecognised tax loss carryforwards | 2.4 | 0.7 |
| Reassessment of tax loss carryforwards with tax asset adjustment | 1.3 | 0.4 |
| Changes in valuation allowances on losses and on deferred tax assets | –2.3 | –2.4 |
| Expenses not deductible for tax purposes / income not subject to tax | –0.6 | 0.9 |
| Under/(over) provided in prior years | 2.0 | –1.4 |
| Changes in deferred taxes due to changes in tax rates | 3.1 | –0.1 |
| Other differences | –2.9 | 4.2 |
| **Effective income tax expense** | **–57.6** | **–42.2** |
| Effective tax rate | 25.6% | 26.3% |

### Deferred income tax

| CHF million | Assets | Liabilities | Assets | Liabilities |
|---|---|---|---|---|
| | | **2017** | | **2016** |
| Property, plant and equipment | 0.6 | –22.1 | 0.6 | –28.8 |
| Other non-current assets | 2.8 | –38.7 | 2.8 | –33.2 |
| Inventories | 33.5 | –3.7 | 34.9 | –3.4 |
| Other current assets | 5.7 | –8.3 | 3.8 | –7.2 |
| Provisions | 6.5 | –3.2 | 6.5 | –3.3 |
| Other liabilities | 25.2 | –5.8 | 35.6 | –5.6 |
| Tax loss carryforwards | 6.6 | – | 6.7 | – |
| **Deferred income tax** | **80.9** | **–81.8** | **90.9** | **–81.5** |
| Offset amounts | –27.2 | 27.2 | –30.1 | 30.1 |
| **Deferred income tax assets/liabilities** | **53.7** | **–54.6** | **60.8** | **–51.4** |

## Movements in deferred income tax

| CHF million | Assets | Liabilities | Assets | Liabilities |
|---|---|---|---|---|
| | | 2017 | | 2016 |
| Balance at 1 January | 60.8 | −51.4 | 56.0 | −51.7 |
| Transfer from income tax liabilities | 0.2 | −0.2 | 0.1 | −0.1 |
| Charged/credited to income statement | 0.8 | −1.5 | – | 9.1 |
| Charged/credited to other comprehensive income | −9.6 | −0.6 | 2.7 | 0.2 |
| Acquisition/disposal of subsidiaries | – | – | – | −7.5 |
| Exchange differences | 1.5 | −0.9 | 2.0 | −1.4 |
| **Balance at 31 December** | **53.7** | **−54.6** | **60.8** | **−51.4** |

In the reporting period, current income tax of CHF 1.7 million (2016: CHF 0.6 million) arising from the sale of treasury shares was recognised directly in equity. The tax expenses in other comprehensive income amounted to negative CHF 10.2 million (CHF 2.9 million) and were allocated to "Change in actuarial gains/(losses) on defined benefit pension plans", "Change in fair value reserve" and "Change in cash flow hedge reserve". In the statement of deferred tax liability, withholding tax and other taxes to be incurred by group entities on future dividends are not taken into account when the respective funds were committed to long-term reinvestments and no payout is planned.

## Tax loss carryforwards

| CHF million | 2017 | 2016 |
|---|---|---|
| Tax loss carryforwards | 99.2 | 103.0 |
| Of which recognised in deferred income tax | −50.3 | −41.8 |
| **Unrecognised tax loss carryforwards** | **48.9** | **61.2** |
| Of which expiring: | | |
| Within 1 year | 5.9 | 0.2 |
| From 1 to 5 years | 7.4 | 26.6 |
| More than 5 years | – | 0.8 |
| Available indefinitely for offset | 35.6 | 33.6 |
| Tax effect on unrecognised tax loss carryforwards | 14.1 | 14.7 |

## 18 Retirement benefits

Most employees are covered by pension schemes in accordance with the relevant national regulations. Most of these pension schemes are defined contribution plans. The Group also operates a number of defined benefit plans. The largest pension scheme is that in Switzerland, covering 81% of the retirement benefit obligations and 88% of the plan assets. The "international plans" category mainly comprises the plans in North America (7% of the retirement benefit obligations, 5% of the plan assets) and in France (6% retirement benefit obligations, 7% of the plan assets).

Swiss plan The Angestellten-Pensionskasse Bucher Schweiz (Bucher Switzerland employee pension fund, APK) has the legal form of a semi-autonomous foundation and is subject to the minimum legal requirements for pension schemes, which are governed by the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). The supreme governing body is the foundation board, which comprises equal numbers of employee and employer representatives. The foundation covers all underwriting risks except death before retirement and invalidity, which are separately reinsured. Contributions to the pension scheme are funded by employee and employer contributions, the latter bearing at least 50% of the necessary contributions. In the event of a deficit, additional contributions can be levied from both employer and employee to make up the shortfall. The risks are mainly demographic (life expectancy) and financial (discount rate, future salary increases and rates of return on plan assets). These risks are regularly reassessed by the foundation board. In June 2017, the foundation board decided to lower the conversion rate for the pensions of all policyholders starting 1 January 2018. Taking into account the agreed mitigation measures, there was a positive effect of CHF 4.9 million that was posted to defined benefit costs.

International plans – North America The pension scheme is governed by the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), which set minimum standards. The provisions were updated by the Pension Protection Act of 2006. This requires that the annual contributions ensure plan assets sufficient to meet the expected obligations. Plan members are insured against the economic consequences of old age, invalidity and death. Contributions are funded entirely by the employer. The plan was closed to new members as of 31 July 2004. Employee pension entitlements were frozen as of 31 July 2005. In addition, there is a defined benefit plan for healthcare provision during retirement for employees who are at least 55 years old and have been employed by the company for more than ten years when they reach the age of 65. Funding is provided principally by the employer. Employees pay part of the premium, based on their length of service with the company.

International plans – France The occupational pension scheme is based on various regulations and company agreements. The plan provides a basic entitlement to benefit payments at the onset of the insured event old age. The plans are funded internally by the employer. In addition, the Group also has schemes for employee anniversaries, which qualify as a further long-term benefit for employees.

## Funding of defined benefit plans

| CHF million | Swiss | International | Total | Swiss | International | Total |
|---|---|---|---|---|---|---|
| | | | **2017** | | | **2016** |
| Fair value of plan assets | 339.2 | 45.3 | 384.5 | 318.8 | 40.7 | 359.5 |
| Present value of funded obligations | –354.9 | –60.9 | –415.8 | –372.1 | –62.0 | –434.1 |
| **Funding surplus/(deficit)** | **–15.7** | **–15.6** | **–31.3** | **–53.3** | **–21.3** | **–74.6** |
| Present value of unfunded obligations | – | –26.0 | –26.0 | – | –22.0 | –22.0 |
| **Surplus/(deficit)** | **–15.7** | **–41.6** | **–57.3** | **–53.3** | **–43.3** | **–96.6** |

## Movements in defined benefit obligations and plan assets

| CHF million | Fair value of plan assets | Present value of retirement obligation | Impact of minimum funding requirement/ asset ceiling | Total | Total |
|---|---|---|---|---|---|
| | | | | **2017** | **2016** |
| **Balance at 1 January** | **359.5** | **–456.1** | **–** | **–96.6** | **–80.8** |
| Current service cost | | –12.7 | | –12.7 | –13.6 |
| Past service cost | | 4.9 | | 4.9 | – |
| Interest income/(expense) | 2.7 | –4.0 | – | –1.3 | –1.4 |
| Administration expenses, taxes and premium paid | –0.4 | | | –0.4 | –0.4 |
| **Defined benefit expense recognised in profit or loss** | **2.3** | **–11.8** | **–** | **–9.5** | **–15.4** |
| Return on plan assets (excluding interest based on discount rate) | 23.7 | | | 23.7 | 13.7 |
| Actuarial gains/(losses) arising from changes | | | | | |
| – in demographic assumptions | – | 0.2 | | 0.2 | 0.7 |
| – in financial assumptions | – | 4.0 | | 4.0 | –14.8 |
| Experience gains/(losses) | – | 11.8 | | 11.8 | –10.1 |
| **Change in actuarial gains/(losses) on defined benefit pension plans in other comprehensive income** | **23.7** | **16.0** | **–** | **39.7** | **–10.5** |
| Employer contributions | 9.9 | | | 9.9 | 8.8 |
| Employee contributions | 4.6 | –4.6 | | – | – |
| Benefits paid | –17.1 | 18.0 | | 0.9 | 1.3 |
| Plan curtailments/settlements | – | – | | – | – |
| Exchange differences | 1.6 | –3.3 | | –1.7 | – |
| **Balance at 31 December** | **384.5** | **–441.8** | **–** | **–57.3** | **–96.6** |

## Categories of plan assets

| CHF million | Swiss | International | Total | % | Swiss | International | Total | % |
|---|---|---|---|---|---|---|---|---|
| | | | | 2017 | | | | 2016 |
| Equities | 119.2 | 9.4 | 128.6 | 33.4 | 108.4 | 10.0 | 118.4 | 32.9 |
| Bonds | 121.8 | 5.1 | 126.9 | 33.0 | 111.3 | 5.0 | 116.3 | 32.4 |
| Assurances | 3.9 | 27.8 | 31.7 | 8.3 | 3.8 | 23.0 | 26.8 | 7.4 |
| Property | 73.6 | – | 73.6 | 19.1 | 70.4 | – | 70.4 | 19.6 |
| Cash | 1.4 | 0.5 | 1.9 | 0.5 | 1.0 | 0.3 | 1.3 | 0.4 |
| Other assets | 19.3 | 2.5 | 21.8 | 5.7 | 23.9 | 2.4 | 26.3 | 7.3 |
| **Plan assets** | **339.2** | **45.3** | **384.5** | **100.0** | **318.8** | **40.7** | **359.5** | **100.0** |

The equities and bonds are mainly listed investments.

## Breakdown of defined benefit obligations by category

| CHF million | Swiss | International | Total | Swiss | International | Total |
|---|---|---|---|---|---|---|
| | | | 2017 | | | 2016 |
| Obligation active insured members | 223.7 | 50.5 | 274.2 | 250.0 | 47.6 | 297.6 |
| Obligation former members with vested benefits | – | 23.5 | 23.5 | – | 16.7 | 16.7 |
| Obligation members receiving pensions | 131.2 | 12.9 | 144.1 | 124.9 | 19.7 | 144.6 |
| Obligation taxes and risk sharing | – | – | – | −2.8 | – | −2.8 |
| **Defined benefit obligations** | **354.9** | **86.9** | **441.8** | **372.1** | **84.0** | **456.1** |
| Term of obligations in years (duration) | 15.9 | 14.2 | 15.5 | 16.3 | 13.2 | 15.7 |

## Actuarial assumptions

| Weighted averages in % | Swiss | International | | Swiss | International | |
|---|---|---|---|---|---|---|
| | | | 2017 | | | 2016 |
| Discount rate | 0.7 | 2.3 | 1.0 | 0.6 | 2.1 | 0.9 |
| Future salary increases | 1.0 | 1.8 | 1.1 | 1.0 | 1.4 | 1.0 |
| Future pension increases | – | 1.6 | 0.1 | – | 0.7 | 0.1 |
| Inflation rate | 1.0 | 2.1 | 1.2 | 1.0 | 2.2 | 1.2 |

For the 2018 business year, contributions to defined benefit pension plans are expected to total CHF 12.2 million (2016: CHF 14.2 million).

Sensitivity analysis A change in the parameters, under the same conditions, would otherwise result in the following increases/(decreases) in pension liabilities.

| CHF million | | Swiss | International | Total | Swiss | International | Total |
|---|---|---|---|---|---|---|---|
| | | | | 2017 | | | 2016 |
| Discount rate: | +25 basis points | −13.4 | −2.8 | −16.2 | −14.4 | −2.2 | −16.6 |
| Discount rate: | −25 basis points | 14.3 | 2.9 | 17.2 | 15.4 | 2.4 | 17.8 |
| Future salary increases: | +100 basis points | 0.8 | 1.0 | 1.8 | 0.9 | 0.1 | 1.0 |
| Future salary increases: | −100 basis points | −0.8 | −1.0 | −1.8 | −0.9 | −0.1 | −1.0 |
| Life expectancy: | +1 year | 3.6 | 1.7 | 5.3 | 3.9 | 0.9 | 4.8 |

## 19 Share-based payments/share option plan

Bucher Share Plan Eligible employees were awarded a total of 4 979 shares for the reporting year (2016: 6 002 shares). The shares awarded and valuation are calculated using the share price of CHF 396.00. The valuation totalled CHF 2.0 million (CHF 1.5 million).

Share option plans Share options granted in respect of previous years may be exercised at any time. One option entitles the holder to purchase one registered share of Bucher Industries AG. The average share price for options exercised was CHF 325.30 (2016: CHF 231.90).

### Movements in the number of share options outstanding

| | Number of options | Average exercise price in CHF | Number of options | Average exercise price in CHF |
|---|---|---|---|---|
| | | 2017 | | 2016 |
| Outstanding options at 1 January | 34 400 | 164.5 | 71 884 | 153.5 |
| Exercised | −21 900 | 182.5 | −37 484 | 143.0 |
| Expired | – | – | – | – |
| **Outstanding options at 31 December** | **12 500** | **133.0** | **34 400** | **164.5** |
| Option expiry date: | | | | |
| Year 2017 | – | – | 12 600 | 221.0 |
| Year 2018 | 6 600 | 149.0 | 10 800 | 149.0 |
| Year 2019 | 5 900 | 115.0 | 11 000 | 115.0 |

## 20 Related parties and companies

### Remuneration of directors and members of group management

| CHF million | 2017 | 2016 |
|---|---|---|
| Salaries | −5.8 | −5.6 |
| Post-employment benefits | −1.3 | −1.2 |
| Share awards | −1.4 | −1.3 |
| **Key management remuneration** | **−8.5** | **−8.1** |

Salaries include variable remuneration, fees and expense allowances paid in cash. For the reporting year, group management members were awarded 2 535 registered shares (2016: 3 417 registered shares) with a par value of CHF 0.20 in Bucher Industries AG under the share plans. With the departure of a member of group management in November 2017, remuneration will continue to be paid as part of the ordinary period of notice of 12 months. The outstanding payments have been fully accrued under salaries. There are no other claims. No directors, group management members or persons connected with them received any additional remuneration, fees or loans during the year. At year-end, there were no loans outstanding to the company's governing bodies. Directors' fees were paid in the form of cash and shares.

### Year-end balances and transactions with related parties

| CHF million | 2017 | 2016 |
|---|---|---|
| Receivables from pension funds | 1.3 | 1.3 |
| Receivables from associates and joint ventures | 0.4 | 0.2 |
| Payables to pension funds | −0.1 | −6.4 |
| Payables to associates and joint ventures | −1.1 | −1.3 |

In the reporting year, products worth CHF 35.3 million (2016: CHF 31.1 million) were purchased from associates and joint ventures. The sales generated with associates and joint ventures amounted to CHF 0.9 million (CHF 1.0 million), and other expenditure with associated companies CHF 0.4 million (CHF 0.5 million).

## 21 Pledged assets

The book value of assets pledged or assigned to secure the Group's obligations was CHF 7.8 million (2016: CHF 7.6 million).

## 22 Leases

### Finance leases, lessee

| CHF million | Minimum lease payments | Finance lease liabilities | Minimum lease payments | Finance lease liabilities |
|---|---|---|---|---|
| | | **2017** | | **2016** |
| Within 1 year | 3.4 | 3.1 | 3.8 | 3.4 |
| From 1 to 5 years | 6.4 | 6.1 | 8.0 | 7.6 |
| More than 5 years | 2.1 | 2.0 | 2.8 | 2.6 |
| **Balance at 31 December** | **11.9** | **11.2** | **14.6** | **13.6** |
| Finance charge | – 0.7 | – | – 1.0 | – |
| **Finance lease liabilities** | **11.2** | **11.2** | **13.6** | **13.6** |

### Operating leases, lessor

| CHF million | **2017** | **2016** |
|---|---|---|
| Within 1 year | 1.2 | 0.9 |
| From 1 to 5 years | 1.7 | 1.3 |
| More than 5 years | – | – |
| **Minimum lease payments** | **2.9** | **2.2** |

Minimum lease payments from non-redeemable operating lease contracts relate to hiring contracts for equipment to customers of Bucher Municipal in Australia.

### Operating leases, lessee

| CHF million | **2017** | **2016** |
|---|---|---|
| Within 1 year | 8.3 | 7.0 |
| From 1 to 5 years | 13.5 | 11.6 |
| More than 5 years | 10.0 | 9.7 |
| **Minimum lease payments** | **31.8** | **28.3** |

The Group has entered into operating leases for the use of buildings, items of machinery and vehicles.

## 23 Financial risk management

The Group's international operations expose it to a variety of financial risks, such as credit, liquidity and price or market risks. Group financial risk management is based on internally formulated guidelines and responsibilities. These include criteria for general financial risk management in specific areas such as management of interest, exchange rate and counterparty risks, as well as the use of derivative financial instruments. With the exception of the management of credit risks, financial risk management is the responsibility of the central treasury function. Group treasury identifies and assesses financial risks and hedges these in close collaboration with the Group's operational units. The risk management process as implemented also includes regular reporting on the development of financial risks.

Credit risk Credit risk arises from the possibility of partial or total default on contractual payments and/or performance obligations. It also includes exposure to losses in the value of financial items due to deterioration in credit quality or counterparty risks under financial contracts. Each of the individual businesses is responsible for operational credit risk as part of their receivables management. They determine the credit terms and monitor payment from customers, taking into account their past payment history (for existing customers) and an analysis of their credit quality (for new and existing customers). In the reporting year, the credit risk on trade receivables was limited due to the Group's diversified customer base. Its customers operate in different industries spread across diverse geographical areas worldwide, as shown in the segment reporting in note 1. As a result, the Group had no cluster risk. In addition, credit risk was minimised by security in the form of credit insurance, advance payment schemes, letters of credit and bank guarantees. Further details of receivables and of the calculation of the provision for impairment and changes to it are set out in note 3. Bucher Industries invested its free cash and cash equivalents in short-term money-market investments with banking institutions that have a very good international risk rating, as well as in top-rated money market funds. The Group had no concentration of credit risk associated with receivables from banks. Its banking relationships included relationships with local banks so they were widely spread geographically. In addition, it also made short-term financial investments in marketable securities with high credit ratings. The maximum credit risk is stated in the consolidated balance sheet through the carrying amounts of financial assets.

Liquidity risk Bucher Industries defines liquidity risk as the risk that the Group and/or any of its subsidiaries may not have sufficient financial resources available to meet all of the payment obligations at any time. In order to anticipate and manage liquidity requirements, Group treasury conducts short- to medium-term liquidity planning in coordination with the businesses' finance departments to forecast future cash flows and financial commitments in each currency. The calculated liquidity requirements are always matched with existing credit facilities so that appropriate measures can be taken in good time to ensure the ability to meet current and future financial obligation. The necessary funds are raised as and when required in the money and capital markets.

Liquidity analysis Maturity analysis shows the contractual cash flows, including interest and redemption payments. The contractual payments are measured from the earliest possible date on which Bucher Industries could be required to pay. Future variable interest payments are calculated at the rates valid on 31 December.

| CHF million | Within 1 year | From 1 to 5 years | More than 5 years | Total | Carrying amount |
|---|---|---|---|---|---|
| | | | | | **2017** |
| Trade payables | – 269.8 | – | – | **– 269.8** | – 269.8 |
| Other liabilities | – 19.2 | – 2.4 | – 4.5 | **– 26.1** | – 26.1 |
| Financial liabilities | – 64.2 | – 171.0 | – 105.8 | **– 341.0** | – 326.3 |
| **Non-derivative financial instruments** | **– 353.2** | **– 173.4** | **– 110.3** | **– 636.9** | **– 622.2** |
| Currency contracts – assets | 512.2 | 37.9 | – | **550.1** | |
| Currency contracts – liabilities | – 514.1 | – 38.2 | – | **– 552.3** | |
| **Derivative financial instruments** | **– 1.9** | **– 0.3** | **–** | **– 2.2** | **– 2.2** |
| | | | | | **2016** |
| Trade payables | – 215.6 | – | – | **– 215.6** | – 215.6 |
| Other liabilities | – 20.9 | – 2.9 | – 4.6 | **– 28.4** | – 28.4 |
| Financial liabilities | – 43.6 | – 207.1 | – 124.2 | **– 374.9** | – 356.5 |
| **Non-derivative financial instruments** | **– 280.1** | **– 210.0** | **– 128.8** | **– 618.9** | **– 600.5** |
| Currency contracts – assets | 400.6 | 51.3 | – | **451.9** | |
| Currency contracts – liabilities | – 402.4 | – 51.4 | – | **– 453.8** | |
| **Derivative financial instruments** | **– 1.8** | **– 0.1** | **–** | **– 1.9** | **– 1.9** |

Market risk Market risk comprises three types of risk: foreign currency risk, interest rate risk and price risk. Market risk may reduce the valuation of assets and liabilities and/or profit and loss items because of changes in risk factors, such as foreign exchange rates and interest rates. These are analysed by means of risk simulations and then reported to group management. Interest rate and exchange rate risk exposures are regularly quantified using a value-at-risk – as well as a net-asset-value-at-risk – approach.

Foreign currency risk As the Group operates internationally, Bucher Industries is mainly exposed to the risk of changes in the exchange rates of the euro, US dollar, British pound and Swedish krona in its most important sales and procurement markets. Individual subsidiaries' cash inflows and outflows denominated in foreign currencies are hedged by group treasury using appropriate financial instruments based on the respective underlying transactions in accordance with the risk policy. Hedging transactions are entered into only with financial institutions that have solid credit ratings. In the reporting period, foreign exchange profits of CHF 3.3 million (2016: foreign exchange profits of CHF 0.1 million) were reclassified from other comprehensive income to the income statement. The Group has investments in foreign operations, whose assets and liabilities are exposed to foreign currency translation risk arising on translation into the Group's presentation currency (Swiss francs). The following exchange rates were used to translate the principal currencies in the Group into Swiss francs:

| 1 CHF | Income statement annual average rates | | Balance sheet closing rates | |
|---|---|---|---|---|
| | **2017** | **2016** | **2017** | **2016** |
| 1 EUR | 1.1131 | 1.0903 | 1.1701 | 1.0739 |
| 1 GBP | 1.2706 | 1.3413 | 1.3184 | 1.2543 |
| 1 USD | 0.9835 | 0.9897 | 0.9756 | 1.0188 |
| 1 BRL | 0.3076 | 0.2846 | 0.2945 | 0.3130 |
| 1 AUD | 0.7538 | 0.7341 | 0.7624 | 0.7357 |
| 1 CNY | 0.1456 | 0.1490 | 0.1499 | 0.1467 |
| 1 SEK | 0.1155 | 0.1154 | 0.1189 | 0.1124 |
| 1 RUB | 0.0169 | 0.0148 | 0.0169 | 0.0167 |

Interest and price risk Interest risks result from changes in market interest rates which have an impact on the profit or loss for the year and the market values of the financial instruments. The risk of a change in interest rates is constantly monitored and managed. Where necessary, interest rate forwards are used to hedge specific interest risks. As in the previous year, interest expense of CHF 0.6 million was reclassified from other comprehensive income to the income statement as part of hedge accounting.

Sensitivity analysis Value at risk (VaR) and net asset value at risk (NAVaR) are measures used to quantify the impact of likely future changes in the value of financial items on profit/(loss) for the year (transaction risk) and consolidated equity (translation risk) respectively. VaR and NAVaR show the maximum loss in value of a portfolio that could arise with a given probability (confidence level) over a specific holding period. The portfolio comprises the defined risk positions on financial items. The potential loss reported is assessed and analysed in the context of the Group's defined risk capacity. Based on this analysis, financial items are either restructured or hedged using financial derivatives where necessary. The following VaR and NAVaR figures are based on a confidence level of 90% and a holding period of 30 days (VaR) and one year respectively (NAVaR).

CHF million

| | 2017 | 2016 |
|---|---|---|
| Currency risk | – 8.6 | – 9.7 |
| Interest risk | – 1.4 | – 2.2 |
| Correlation effect | 5.3 | 7.2 |
| **VaR–transaction risk** | **– 4.7** | **– 4.7** |
| **NAVaR–translation risk** | **– 85.3** | **– 84.4** |

The foreign currency and interest risk fell slightly due to lower volatility. In addition, the shortening of the residual terms of the fixed-interest financial liabilities had a mitigating effect on the interest risk. The transaction risk was mostly unchanged year on year due to the reduction of the correlation effect to 53% (2016: 61%). The translation risk was up slightly year on year. The appreciation in particular of the euro versus the Swiss franc resulted in an increase in the underlying risk positions. This additional risk was almost offset by the higher correlation effect.

Capital management The Group may manage its capital structure either by adjusting the amount of dividends or by initiating share buy-back programmes, issuing new shares and raising or repaying debt. With the continuous monitoring of the indicators listed below, Bucher Industries ensures that the appropriate and necessary equity measures are taken in a timely manner if required.

| | 2017 | 2016 |
|---|---|---|
| Interest coverage ratio (EBITDA to net interest expense) | 109.7 | 39.2 |
| Debt payback period (net debt to EBITDA) | – 0.7 | – 0.2 |
| Gearing ratio (net debt to equity) | – 15.0% | – 5.0% |
| Equity ratio (equity to total assets) | 52.7% | 50.6% |
| Quick ratio (current assets less inventory to current liabilities) | 124.2% | 127.0% |

Carrying amounts/financial assets and liabilities by category

| CHF million | Available-for-sale | At fair value through profit or loss | At amortised cost | Held for hedge accounting | Carrying amount | Carrying amount |
|---|---|---|---|---|---|---|
| | | | | | **2017** | **2016 [1)]** |
| Cash and cash equivalents | – | 513.2 | – | | 513.2 | 390.6 |
| Other financial assets | 24.6 | 3.0 | 8.8 | | 36.4 | 37.5 |
| Trade receivables | – | – | 460.5 | | 460.5 | 393.4 |
| Other receivables | – | – | 52.4 | | 52.4 | 41.2 |
| Trade payables | | – | – 269.8 | | – 269.8 | – 215.6 |
| Other liabilities | | – | – 26.1 | | – 26.1 | – 28.4 |
| Financial liabilities | | – | – 326.3 | | – 326.3 | – 356.5 |
| **Non-derivative financial instruments** | **24.6** | **516.2** | **– 100.5** | | **440.3** | **262.2** |
| Currency contracts – assets | | 2.1 | | 1.1 | 3.2 | 2.9 |
| Currency contracts – liabilities | | – 5.0 | | – 0.4 | – 5.4 | – 4.8 |
| **Derivative financial instruments** | | **– 2.9** | | **0.7** | **– 2.2** | **– 1.9** |

1) The values for the previous year were allocated to the various categories in the same order of magnitude as in the present reporting period. Other financial assets to the value of CHF 26.5 million were available-for-sale and CHF 1.0 million in currency contracts was held for hedge accounting.

Fair values With the exception of the financial liabilities with a fair value of CHF 336.0 million (2016: CHF 368.9 million), the book values are roughly equivalent to the fair values. With the exception of contingent considerations from acquisitions, the fair values are based on observable market data at the end of the reporting period (level 2). There is no observable market data available regarding the contingent considerations classified as other liabilities. The valuation is based primarily on specific data from the acquired company Bucher Hidráulica, Brazil (level 3), and is made using contractually agreed formulas.

Contingent considerations (level 3) To determine the fair values, future payments are discounted at the balance sheet date, using projections based on financial budgets approved by management. Dependent on the achievement of targets, payments are budgeted for Bucher Hidráulica until 2018. For Bucher Hidráulica, the payments have an upper limit, and the maximum amount that can be paid out is CHF 0.4 million (2016: CHF 2.5 million). As in the previous year, liabilities were valued at nil, so there was no change to the value in the reporting period (no change). The settlement of the expired contractually agreed conditions from the purchase of Kuhn-Montana, Brazil, did not lead to a final payment.

## 24 Events after the reporting date

The consolidated financial statement was approved for publication by the board of directors on 27 February 2018. It is subject to formal approval by the annual general meeting on 18 April 2018.

## 25 Group companies

| Company, place of incorporation | Country | Currency | Share capital | Division | Activities | | | Group interest in % | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 2017 | 2016 |
| Bucher Industries AG, Niederweningen | CH | CHF | 2 050 000 | O | | | S | | |
| Bucher-Guyer AG, Niederweningen | CH | CHF | 10 000 000 | O | | | S | 100 | 100 |
| Bucher Industries France SAS, Entzheim | FR | EUR | 225 072 400 | O | | | S | 100 | 100 |
| Bucher Beteiligungen GmbH, Klettgau | DE | EUR | 4 500 000 | O | | | S | 100 | 100 |
| Bucher Beteiligungsverwaltung AG, Munich | DE | EUR | 50 000 | O | | | S | 100 | 100 |
| Bucher Beteiligungs-Stiftung, Niederweningen | CH | CHF | 250 000 | O | | | S | 100 | 100 |
| Bucher BG Finanz AG, Steinhausen | CH | EUR | 21 591 000 | O | | | S | 100 | 100 |
| Kuhn Germany GmbH, Freiburg | DE | EUR | 4 000 000 | O | | | S | 100 | 100 |
| Bucher Immobilien AG, Langendorf | CH | CHF | 200 000 | O | | | S | – | 100 |
| Bucher Industries Italia S.p.A., Reggio Emilia | IT | EUR | 3 380 000 | O | | | S | 100 | 100 |
| Bucher Industries US Inc., Enfield CT | US | USD | 10 000 000 | O | | | S | 100 | 100 |
| Bucher Management AG, Kloten | CH | CHF | 6 600 000 | O | | | S | 100 | 100 |
| Bucher Sudamerica Participações Ltda., São Paulo | BR | BRL | 1 000 | O | | | S | 100 | 100 |
| Kuhn Group SAS, Saverne | FR | EUR | 200 100 000 | O | | | S | 100 | 100 |
| Bucher (China) Investment Pty Ltd., Beijin | CN | CNY | 6 769 000 | O | | | S | 100 | 100 |
| Bucher Industries Danmark ApS, Them | DK | DKK | 51 000 | O | | | S | 100 | 100 |
| JHL Holding A/S, Silkeborg | DK | DKK | 8 827 300 | O | | | S | – | 100 |
| Kuhn SA, Saverne | FR | EUR | 19 488 000 | KG | P | D | | 100 | 100 |
| Kuhn Blanchard SAS, Chéméré | FR | EUR | 2 000 000 | KG | P | D | | 100 | 100 |
| Kuhn-Geldrop B.V., Geldrop | NL | EUR | 15 000 000 | KG | P | D | | 100 | 100 |
| Contifonte SA, Saverne | FR | EUR | 48 000 | KG | P | D | | 100 | 100 |
| Kuhn North America, Inc., Brodhead WI | US | USD | 10 000 | KG | P | D | | 100 | 100 |
| Kuhn Krause, Inc., Hutchinson KS | US | USD | 4 462 000 | KG | P | D | | 100 | 100 |
| Kuhn do Brasil S/A, Passo Fundo | BR | BRL | 220 077 811 | KG | P | D | | 100 | 100 |
| Kuhn-Montana Indústria de Máquinas S/A, São José | BR | BRL | 230 000 000 | KG | P | D | | 100 | 100 |
| Kuhn-Montana Argentina S/A, Casilda | AR | ARS | 350 000 | KG | | D | | 100 | 100 |
| Kuhn MGM SAS, Monswiller | FR | EUR | 2 000 000 | KG | P | D | | 100 | 100 |
| Kuhn-Audureau SA, La Copechagnière | FR | EUR | 4 070 000 | KG | P | D | | 100 | 100 |
| Kuhn-Huard SA, Châteaubriant | FR | EUR | 4 800 000 | KG | P | D | | 100 | 100 |
| Kuhn Farm Machinery Inc., Sainte Madeleine | CA | CAD | 150 000 | KG | | D | | 100 | 100 |
| Kuhn Farm Machinery Ltd., Telford | GB | GBP | 100 000 | KG | | D | | 100 | 100 |
| Kuhn Farm Machinery Pty Ltd, Warragul VIC | AU | AUD | 100 000 | KG | | D | | 100 | 100 |
| Kuhn Ukraine Sarl, Kiev | UA | UAH | 650 000 | KG | | D | | 100 | 100 |
| Kuhn Ibérica SA, Huesca | ES | EUR | 100 000 | KG | | D | | 100 | 100 |
| Kuhn Italia Srl., Melegnano | IT | EUR | 520 000 | KG | | D | | 100 | 100 |
| Kuhn Maschinen-Vertrieb GmbH, Schopsdorf | DE | EUR | 300 000 | KG | | D | | 100 | 100 |
| Kuhn Maszyny Rolnicze Sp.z.o.o., Suchy Las | PL | PLN | 3 536 000 | KG | | D | | 100 | 100 |
| Kuhn Vostok LLC, Moscow | RU | RUB | 10 000 000 | KG | | D | | 100 | 100 |
| Kuhn Parts SAS, Monswiller | FR | EUR | 5 000 000 | KG | | D | | 100 | 100 |
| Kuhn Argentina, Buenos Aires | AR | ARS | 500 000 | KG | | D | | 100 | 100 |
| Kuhn Tianjin Farm Machinery Ltd., Tianjin | CN | CNY | 5 045 000 | KG | | D | | 100 | 100 |

Divisions: KG Kuhn Group, BM Bucher Municipal, BH Bucher Hydraulics, BEG Bucher Emhart Glass, BSp Bucher Specials, O Other
Activities: P Production, D Distribution, S Services

| Company, place of incorporation | Country | Currency | Share capital | Division | Activities | | | Group interest in % | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | 2017 | 2016 |
| Bucher Municipal AG, Niederweningen | CH | CHF | 10 000 000 | BM | | D | S | 100 | 100 |
| Bucher Municipal GmbH, Hanover | DE | EUR | 3 000 000 | BM | | D | | 100 | 100 |
| Bucher Municipal Ltd., Seoul | KR | KRW | 350 000 000 | BM | P | D | | 100 | 100 |
| Bucher Municipal SIA, Ventspils | LV | EUR | 3 630 400 | BM | P | D | | 100 | 100 |
| Giletta S.p.A., Revello | IT | EUR | 1 250 000 | BM | P | D | | 60 | 60 |
| Arvel Industries Sàrl, Coudes | FR | EUR | 200 000 | BM | P | D | | 60 | 60 |
| Tecvia Eurl, Lyon | FR | EUR | 38 112 | BM | | D | | 60 | 60 |
| Maquiasfalt SL, Madrid | ES | EUR | 30 000 | BM | | D | | 60 | 60 |
| Giletta LLC, Kaluga | RU | RUB | 420 000 | BM | P | D | | 60 | 60 |
| Gmeiner GmbH, Wernberg-Köblitz | DE | EUR | 26 000 | BM | P | D | | 60 | 60 |
| Johnston Sweepers Ltd., Dorking | GB | GBP | 8 000 | BM | P | D | | 100 | 100 |
| Beam A/S, Them | DK | DKK | 5 000 000 | BM | P | D | | 100 | 100 |
| Johnston North America Inc., Mooresville NC | US | USD | 500 000 | BM | P | D | | 100 | 100 |
| Bucher Municipal Pty Ltd., Clayton North | AU | AUD | 5 901 000 | BM | P | D | | 100 | 100 |
| J. Hvidtved Larsen A/S, Silkeborg | DK | DKK | 6 500 000 | BM | P | D | S | 100 | 100 |
| J. Hvidtved Larsen Australia Pty Ltd., Sydney | AU | AUD | 1 | BM | | D | | – | 100 |
| J. Hvidtved Larsen Ireland Ltd, Thurles | IE | EUR | 1 | BM | | D | | 100 | – |
| J. Hvidtved Larsen AB, Eslöv | SE | SEK | 500 000 | BM | | D | | 100 | 100 |
| J. Hvidtved Larsen UK Ltd, Coalville | GB | GBP | 1 | BM | | D | | 100 | 100 |
| J. Hvidtved Larsen US Inc., Chicago IL | US | USD | 10 000 | BM | | D | | 100 | 100 |
| Bucher Hydraulics GmbH, Klettgau | DE | EUR | 4 000 000 | BH | P | D | | 100 | 100 |
| Bucher Hydraulics Dachau GmbH, Dachau | DE | EUR | 30 000 | BH | P | D | | 100 | 100 |
| Bucher Hydraulics SAS, Rixheim | FR | EUR | 200 000 | BH | | D | | 100 | 100 |
| Bucher Hydraulics Ltd., Nuneaton | GB | GBP | 10 000 | BH | | D | | 100 | 100 |
| Bucher Hydraulics AG, Neuheim | CH | CHF | 1 200 000 | BH | P | D | | 100 | 100 |
| Bucher Hydraulics Suzhou Co., Ltd., Wujiang | CN | CNY | 13 640 000 | BH | P | D | | 100 | 100 |
| Bucher Hydraulics Remscheid GmbH, Remscheid | DE | EUR | 25 000 | BH | P | D | | 100 | 100 |
| Bucher Hidrolik Sistemleri Tic. Ltd. Sti., Istanbul | TR | TRY | 219 000 | BH | | D | | 100 | 100 |
| Bucher Hydraulics KK, Tokyo | JP | JPY | 10 000 000 | BH | | D | | 85 | 85 |
| Bucher Hydraulics AG Frutigen, Frutigen | CH | CHF | 300 000 | BH | P | D | | 100 | 100 |
| Bucher Hydraulics S.p.A., Reggio Emilia | IT | EUR | 1 500 000 | BH | P | D | | 100 | 100 |
| Bucher Hydraulics Pvt Ltd.,Gurgaon | IN | INR | 28 600 000 | BH | P | D | | 100 | 100 |
| Bucher Hydraulics Inc., Grand Rapids | US | USD | 12 473 000 | BH | P | D | | 100 | 100 |
| Bucher Hydraulics Corp., London | CA | CAD | 75 000 | BH | P | D | | 100 | 100 |
| Bucher Hydraulics Erding GmbH, Erding | DE | EUR | 25 000 | BH | P | D | | 100 | 100 |
| Bucher Hidráulica Ltda., Porto Alegre | BR | BRL | 10 330 000 | BH | P | D | | 100 | 100 |

Divisions: KG Kuhn Group, BM Bucher Municipal, BH Bucher Hydraulics, BEG Bucher Emhart Glass, BSp Bucher Specials, O Other
Activities: P Production, D Distribution, S Services

| Company, place of incorporation | Country | Currency | Share capital | Division | Activities | | | Group interest in % | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | **2017** | **2016** |
| Emhart Glass SA, Steinhausen | CH | CHF | 10 000 000 | BEG | | D | S | 100 | 100 |
| Emhart Glass Manufacturing Inc., Horseheads, NY | US | USD | 1 000 | BEG | P | | | 100 | 100 |
| Emhart Glass Sdn Bhd., Ulu Tiram Johor | MY | MYR | 500 000 | BEG | P | | | 100 | 100 |
| Emhart Glass Sweden AB, Sundsvall | SE | SEK | 30 000 000 | BEG | P | | | 100 | 100 |
| Emhart Glass GmbH, Leipzig | DE | EUR | 50 000 | BEG | | | S | 100 | 100 |
| Emhart Glass Inc., Windsor CT | US | USD | 2 | BEG | | | S | 100 | 100 |
| Emhart Glass International SA, Steinhausen | CH | CHF | 100 000 | BEG | | | S | 100 | 100 |
| Emhart Glass Japan Co Ltd., Kawasaki | JP | JPY | 10 000 000 | BEG | | | S | 100 | 100 |
| Emhart Glass Ltd., Manchester | GB | GBP | 1 838 000 | BEG | | | S | 100 | 100 |
| Emhart Glass Pte. Ltd., Singapore | SG | SGD | 1 | BEG | | | S | 100 | 100 |
| Emhart Glass S.r.l., Savona | IT | EUR | 320 000 | BEG | | | S | 100 | 100 |
| Shandong Sanjin Glass Machinery Co. Ltd., Zibo | CN | CNY | 72 000 000 | BEG | P | D | | 63 | 63 |
| Bucher Vaslin SA, Chalonnes-sur-Loire | FR | EUR | 2 400 000 | BSp | P | D | | 100 | 100 |
| Bucher Vaslin S.r.l., Romans d'Isonzo | IT | EUR | 100 000 | BSp | | D | | 100 | 100 |
| Bucher Vaslin North America, Inc., Sebastopol CA | US | USD | 88 000 | BSp | | D | | 100 | 100 |
| Bucher Vaslin Sudamérica, Santiago de Chile | CL | CLP | 3 099 600 000 | BSp | P | D | | 100 | 100 |
| Bucher Unipektin AG, Niederweningen | CH | CHF | 600 000 | BSp | P | D | | 100 | 100 |
| Beijing Bucher Unipektin Equipment Co. Ltd, Beijing | CN | CNY | 3 098 895 | BSp | | D | | 100 | 100 |
| Bucher-Alimentech Ltd., Auckland | NZ | NZD | 3 000 | BSp | | D | | 100 | 100 |
| Bucher Engineering Ges.m.b.H., Vösendorf | AT | EUR | 36 336 | BSp | | D | | 100 | 100 |
| Bucher Filtrox Systems AG, St.Gallen | CH | CHF | 500 000 | BSp | P | D | | – | 100 |
| Bucher Landtechnik AG, Niederweningen | CH | CHF | 4 000 000 | BSp | | D | | 100 | 100 |
| Jetter AG, Ludwigsburg | DE | EUR | 3 241 061 | BSp | P | D | | 100 | 100 |
| futronic GmbH, Tettnang | DE | EUR | 260 000 | BSp | P | D | | 100 | 100 |

# Report of the statutory auditor

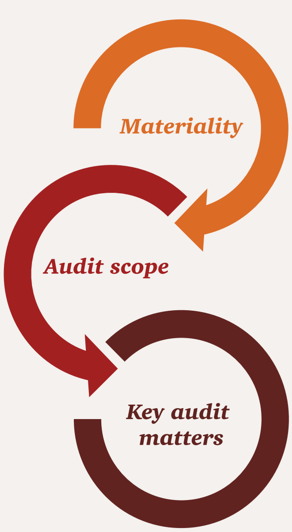
**to the annual general meeting of Bucher Industries AG, Niederweningen**

**Audit opinion** We have audited the consolidated financial statements of Bucher Industries AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. In our opinion, the consolidated financial statements (pages 72 to 115) give a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

**Basis for opinion** We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Our audit approach

### Overview




- Overall Group materiality: CHF 10.1 million

- We concluded full-scope audit work at 33 reporting units in various countries.
- These audits account for 85% of net sales or 81% of the Group's assets.
- Additionally, individually defined audit procedures and reviews were concluded at other reporting units in various countries, which account for further 2% of net sales and 9% of the total assets of the Group.

The following area of focus has been identified as a key audit matter:
- Impairment testing of goodwill

Audit scope We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates. The significant subsidiaries, with two exceptions, were audited by PwC. We are in continuous contact with the audit teams. With regard to the significant subsidiaries that are not audited by PwC, we review the audit documentation of the other auditor and evaluate its work. As auditor of the consolidated financial statements, we ensure that we participate every year in selected meetings of specific significant companies and discuss the risks of a material misrepresentation of the local results as well as the focus points and scope of the audits.

Materiality The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements. Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

- **Overall Group materiality**
  CHF 10.1 million

- **How we determined it** 5% of the average profit before tax over the three years

- **Rationale for the materiality benchmark applied** We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark. In addition, profit before tax represents a generally accepted benchmark for materiality considerations. To account for the volatility of the business environment, a three-year average was chosen for the materiality calculation.

We agreed with the audit committee that we would report to them misstatements above CHF 0.5 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

**Key audit matters** Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Impairment testing of goodwill

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| Impairment testing of goodwill was deemed a key audit matter for the following reasons: Goodwill of CHF 136.9 million represents a significant amount on the balance sheet. Significant judgement is required to determine the assumptions relating to future business results and to determine the discount rate to be applied to forecasted cash flows. Please refer to pages 78 and 82 (notes to the consolidated financial statements, accounting principles for the consolidated financial statements) and pages 92 and 93 (notes to the consolidated financial statements, explanations of the consolidated financial statements). | Impairment testing is based on a process defined by the board of directors that makes use of the budgets approved by the board of directors and the Group's medium-term plans. As part of the process, Management estimates the cash flows for the cash-generating units concerned. Based on the evidence obtained from our audit, we did not note any deviations from the process defined by the board of directors and from the requirements relating to the impairment testing of goodwill and the disclosure of impairment in the financial statements. In addition, we compared the consistency of the assumptions presented on pages 92 and 93 of the consolidated financial statements with the revenue and cost forecasts of Management. We compared the discount rate with the cost of capital of the Group, taking into account currency-specific aspects. Further, we tested the sensitivity analyses for the key assumptions. We noted no inconsistencies with regard to the assumptions used, which were in line with our expectations. |

**Other information in the annual report** The board of directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements and the remuneration report of Bucher Industries AG and our auditor's reports thereon. Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the board of directors for the consolidated financial statements** The board of directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors intends either to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated financial statements** Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: http://expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

**Report on other legal and regulatory requirements** In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Christian Kessler
Audit expert
Auditor in charge

Fabian Schläpfer
Audit expert

Zurich, 27 February 2018

# Balance sheet of Bucher Industries AG as per 31 December 2017

| CHF million | Note | 2017 | 2016 |
| --- | --- | --- | --- |
| Cash and cash equivalents | | 140.5 | 116.9 |
| Other receivables | | 88.5 | 23.1 |
| Accrued income | | 13.7 | 11.9 |
| **Current assets** | | **242.7** | **151.9** |
| Financial assets | | | |
| Loans | | 594.4 | 577.8 |
| Investments | | 811.2 | 811.4 |
| Intangible assets | | 0.3 | 0.3 |
| **Non-current assets** | | **1 405.9** | **1 389.5** |
| **Assets** | | **1 648.6** | **1 541.4** |
| Interest-bearing liabilities | | | |
| Loans and other bank borrowings | 2 | 45.0 | 20.0 |
| Other interest-bearing liabilities | 2 | 130.5 | 126.9 |
| Other liabilities | | 14.4 | 11.0 |
| Accruals and deferred income | | 8.3 | 5.4 |
| **Current liabilities** | | **198.2** | **163.3** |
| Interest-bearing liabilities | | | |
| Bonds | 2 | 200.0 | 200.0 |
| Loans and other bank borrowings | 2 | 320.3 | 314.5 |
| Other liabilities | | 0.4 | 0.4 |
| Provisions | | 2.4 | 4.5 |
| **Non-current liabilities** | | **523.1** | **519.4** |
| Share capital | 5 | 2.1 | 2.1 |
| Statutory reserve | | 70.6 | 70.6 |
| Distributable reserve | | 651.8 | 611.8 |
| Retained earnings | | 82.9 | 86.7 |
| Profit/(loss) for the year | | 119.9 | 87.5 |
| **Equity** | | **927.3** | **858.7** |
| **Liabilities and equity** | | **1 648.6** | **1 541.4** |

# Income statement of Bucher Industries AG for the year ended 31 December 2017

CHF million

| | 2017 | 2016 |
|---|---|---|
| Income from investments | 96.2 | 63.5 |
| Royalty income | 15.1 | 13.5 |
| Administrative expenses | −5.5 | −5.9 |
| Impairment charges | −0.7 | −0.3 |
| **Operating profit (EBIT)** | **105.1** | **70.8** |
| Finance costs | −77.4 | −65.4 |
| Finance income | 95.5 | 87.4 |
| **Profit before tax** | **123.2** | **92.8** |
| Income tax expense | −3.3 | −5.3 |
| **Profit/(loss) for the year** | **119.9** | **87.5** |

# Notes to the financial statements of Bucher Industries AG

**General** These financial statements of Bucher Industries AG, incorporated in Niederweningen, have been prepared in accordance with the provisions of Swiss accounting law (title 32 of the Swiss Code of Obligations). The main valuation principles applied, other than those prescribed by law, are described in the following. In accordance with art. 961d, para. 1 of the Swiss Code of Obligations, Bucher Industries AG did not present additional data in the notes or cash flow statement, referring instead to the consolidated financial statements of Bucher Industries AG for the relevant information. The company does not have any employees.

**Cash pooling** To ensure group-wide financial balance, Group companies are integrated into Bucher Industries AG's cash pooling. The cash-pool accounts are recognised at par value and recorded in other receivables and other interest-bearing liabilities.

**Derivative financial instruments** are shown in other receivables and other liabilities, and are used to hedge exposure to interest rate and foreign currency fluctuations. The first-time accounting and the subsequent valuations are made at the respective fair value. This is based on observable market information at the end of the reporting period. Changes in fair value are recognised in the income statement.

**Investments** are recognised at amortised cost, net of write-downs in impairment charges. To evaluate an impairment the carrying amount is compared with the recoverable amount. Investments which are considered an economic unit within the company, in the management and assessment of the business, were consolidated as a valuation unit. Information on the investments held, directly and indirectly, by Bucher Industries AG is given in the list of group companies on pages 113 to 115 of the annual report.

**Interest income/dividend** Interest income is recorded over the anticipated term, so that it reflects the effective income on an asset. Dividends are recognised in income from investments at the time of the legal claim.

**Royalty income** consists of fees charged to group companies for the use of brand names.

## 1 Positions with group companies

CHF million

| | 2017 | 2016 |
|---|---|---|
| Other receivables | 84.2 | 17.8 |
| Accrued income | 13.7 | 11.8 |
| Financial assets | 594.4 | 577.8 |
| Interest-bearing liabilities | −130.5 | −126.9 |
| Other liabilities | −5.7 | −3.8 |
| Accruals and deferred income | −3.4 | −3.4 |
| Loans | −280.6 | −229.9 |

## 2 Interest-bearing liabilities

Interest-bearing liabilities essentially include significant bonds, bank borrowings as well as loans and cash pool accounts with group companies. Further information on bonds is given on page 95 of the annual report.

## 3 Assets and liabilities based on observable market data

| CHF million | 2017 | 2016 |
|---|---|---|
| Derivative financial instruments – assets | 10.4 | 10.3 |
| Derivative financial instruments – liabilities | – 14.8 | – 11.3 |
| **Assets and liabilities based on observable market data** | **– 4.4** | **– 1.0** |

## 4 Contingent liabilities

The contingent liabilities have been incurred by the company mainly to cover group companies' obligations to banks in respect of credit and cash pool agreements. The maximum exposure was CHF 191.2 million (2016: CHF 188.1 million). The amount claimed at the reporting date was CHF 49.8 million (CHF 39.5 million). Bucher Industries AG is jointly liable for the VAT group of Bucher-Guyer AG as part of group taxation arrangements.

## 5 Share capital

Bucher Industries AG has authorised but unissued capital representing a maximum of 1 184 100 registered shares of CHF 0.20 each, which is reserved for the exercise of warrants or conversion rights attached to bonds and of options under rights issued to shareholders. The registered shares are widely held by public shareholders.

Significant shareholders and their investments A group of shareholders organised under a shareholders' agreement, represented by Rudolf Hauser, Zurich, holds a total of 35.2% of the voting rights, as published in the Swiss Official Gazette of Commerce (SOGC) on 10 May 2005 and subsequent to the share capital reduction in June 2012. The essence of the shareholders' agreement and the number of shares held by individual group members have not been published. At the reporting date, the Bucher Beteiligungs-Stiftung held 0.2% of the issued share capital, the voting rights attached to such shares being suspended in accordance with art. 659a paragraph 1 of the Swiss Code of Obligations. According to disclosure notifications submitted to Bucher Industries AG and SIX Swiss Exchange, Norges Bank (the Norwegian central bank), Oslo, Norway, and BlackRock Inc., New York, USA, hold, directly or indirectly via various subsidiaries, a stake in the registered share capital of Bucher Industries AG of more than 3% each. Up to the date of approval of the company's financial statements, the board of Bucher Industries AG was not aware of any other shareholders or groups of shareholders subject to voting agreements who held more than 3% of the total voting rights.

## Directors' interests in shares

| | Number of shares | |
|---|---|---|
| | **2017** | **2016** |
| Philip Mosimann, chairman | 50 425[1)] | 66 174 |
| Anita Hauser, deputy chairman | 439 953 | 439 743 |
| Claude R. Cornaz | 3 645 | 3 465 |
| Michael Hauser | 605 015 | 604 835 |
| Heinrich Spoerry | 3 633 | 3 453 |
| Valentin Vogt | 3 525 | 4 333 |
| **Board of directors** | **1 106 196** | **1 122 003** |

1) Of which 3 500 shares reserved for written call options

As part of their honoraria, the board of directors were allocated 1 065 shares (2016: 1 674 shares) worth CHF 0.4 million (CHF 0.4 million). Further information is given in the remuneration report on pages 63 to 65.

## Group management's interests in shares and share options

| | | Number of shares | | Number of options | |
|---|---|---|---|---|---|
| | | **2017** | **2016** | **2017** | **2016** |
| Jacques Sanche | CEO | 1 403 | 409 | – | – |
| Christina Johansson | CFO | 607 | 450 | – | – |
| Stefan Düring | Bucher Specials | 880 | 1 679 | – | 1 200 |
| Martin Jetter | Bucher Emhart Glass | 5 106 | 3 891 | – | 1 200 |
| Thierry Krier | Kuhn Group | 1 255 | 1 658 | – | – |
| Aurelio Lemos | Bucher Municipal | 401 | 152 | – | – |
| Daniel Waller | Bucher Hydraulics | 9 881 | 13 575 | – | – |
| **Group management** | | **19 533** | **21 814** | **–** | **2 400** |

No share options have been granted since the 2010 financial year. The ten-year options granted from previous reporting years were fully exercised during the reporting period. Each option entitles the holder to purchase one share. Further information is given in the remuneration report on pages 63 to 65.

# Board of directors' proposal

## Appropriation of retained earnings

| CHF | 2017 | 2016 |
|---|---|---|
| Retained profit carried forward as at 1 January | 174 142 145 | 228 035 469 |
| Transfer to distributable reserve | – 40 000 000 | – 85 000 000 |
| Dividend | – 51 250 000 | – 56 375 000 |
| Profit/(loss) for the year | 119 894 558 | 87 481 676 |
| **Retained earnings available for distribution** | **202 786 703** | **174 142 145** |

## Board of directors' proposal

| CHF | 2017 | 2016 |
|---|---|---|
| Retained earnings available for distribution | 202 786 703 | 174 142 145 |
| Transfer to distributable reserve | – 70 000 000 | – 40 000 000 |
| Dividend | – 66 625 000 | – 51 250 000 |
| **Balance to be carried forward** | **66 161 703** | **82 892 145** |

# Report of the statutory auditor

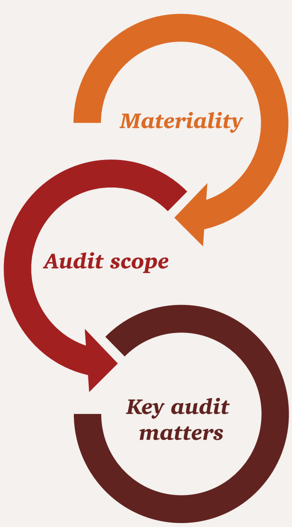
**to the annual general meeting of Bucher Industries AG, Niederweningen**

**Audit opinion** We have audited the financial statements of Bucher Industries AG, which comprise the balance sheet as at 31 December 2017, income statement and notes for the year then ended, including a summary of significant accounting policies. In our opinion, the financial statements (pages 120 to 125) as at 31 December 2017 comply with Swiss law and the company's articles of incorporation.

**Basis for opinion** We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Our audit approach

### Overview




- Overall materiality: CHF 10.1 million

- We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

The following area of focus has been identified as a key audit matter:
- Impairment of equity investments

Audit scope We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made. For example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

- **Overall materiality** CHF 10.1 million
- **How we determined it** 0.61% of total assets
- **Rationale for the materiality benchmark applied** We chose total assets as the benchmark because, in our view, it is a relevant benchmark for a holding company, and it is a generally accepted benchmark for holding companies. In addition, total assets represent a generally accepted benchmark for materiality considerations of holding companies.

We agreed with the audit committee that we would report to them misstatements above CHF 0.5 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

**Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority** Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Impairment of equity investments

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| Impairment testing of equity investments was deemed a key audit matter. Equity investments recognised on the balance sheet at CHF 811.2 million or 49% of the balance sheet total represent a significant portion of the assets. The valuations of the companies are calculated using the intrinsic value respectively the capitalisation of earnings or discounted cash flow (DCF) methods, which require significant judgement in determining the parameters such as the capitalisation rate. Please refer to page 122 (notes to the financial statements) and to pages 113 to 115 of the annual report. | In identifying the potential need for impairment of equity investments, Management follows a predefined impairment testing process. We compared the carrying amount of the investments in the year under review with the respective pro-rata share of the investee's equity respectively with the investee's enterprise value calculated using the capitalisation of earnings or discounted cash flow (DCF) methods. We performed plausibility checks on the assumptions used by Management concerning the long-term growth rates and margins. We compared the discount rate with the cost of capital of the Group, taking into account the currency-specific particularities. Our audit results support the assumptions made by Management in assessing the impairment of equity investments. |

**Responsibilities of the board of directors for the financial statements** The board of directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the board of directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors intends either to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements** Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: http://expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

**Report on other legal and regulatory requirements** In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the board of directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

| | |
|---|---|
| Christian Kessler<br>Audit expert<br>Auditor in charge | Fabian Schläpfer<br>Audit expert |

Zurich, 27 February 2018

# Five-year summary

## Group

CHF million

| | | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|---|---|---|
| Order intake | | 2 870.7 | 2 386.1 | 2 439.5 | 2 742.1 | 2 718.2 |
| Net sales | | 2 647.4 | 2 380.4 | 2 490.4 | 2 805.6 | 2 690.8 |
| Order book | | 960.3 | 727.7 | 688.4 | 788.9 | 850.4 |
| Operating profit before depreciation and amortisation (EBITDA) | | 318.0 | 262.5 | 296.2 | 349.8 | 371.1 |
| as % of net sales | | 12.0% | 11.0% | 11.9% | 12.5% | 13.8% |
| Operating profit (EBIT) | | 226.4 | 169.3 | 207.1 | 257.2 | 287.1 |
| as % of net sales | | 8.6% | 7.1% | 8.3% | 9.2% | 10.7% |
| Net financial items | | – 1.1 | – 8.7 | – 13.3 | – 13.2 | – 11.4 |
| Income tax expense | | – 57.6 | – 42.2 | – 53.8 | – 54.3 | – 79.5 |
| as % of profit before tax | | 25.6% | 26.3% | 27.8% | 22.3% | 28.8% |
| Profit/(loss) for the year | | 167.7 | 118.4 | 140.0 | 189.7 | 196.2 |
| as % of net sales | | 6.3% | 5.0% | 5.6% | 6.8% | 7.3% |
| Capital expenditure | | 76.2 | 78.2 | 81.9 | 116.3 | 136.6 |
| Operating free cash flow | | 148.2 | 189.5 | 157.8 | 53.7 | 91.7 |
| Research and development costs | | – 110.0 | – 99.4 | – 96.1 | – 102.4 | – 90.5 |
| Total assets | | 2 719.8 | 2 419.6 | 2 353.6 | 2 604.5 | 2 436.3 |
| Cash and liquid assets | | 540.5 | 417.9 | 374.8 | 369.2 | 455.7 |
| Receivables | | 550.6 | 467.8 | 498.6 | 565.8 | 498.5 |
| Inventories | | 694.0 | 600.1 | 602.8 | 668.7 | 632.9 |
| Investments and other financial assets – non-current | | 23.7 | 23.1 | 24.1 | 43.7 | 44.5 |
| Property, plant and equipment | | 614.7 | 595.1 | 588.9 | 634.8 | 569.7 |
| Intangible assets | | 234.9 | 246.4 | 205.6 | 252.9 | 181.5 |
| Current liabilities | | 878.6 | 697.7 | 677.3 | 873.9 | 1 059.1 |
| Non-current liabilities | | 409.1 | 498.3 | 522.2 | 529.0 | 303.1 |
| Total liabilities | | 1 287.7 | 1 196.0 | 1 199.5 | 1 402.9 | 1 362.2 |
| of which interest-bearing | | 326.3 | 356.5 | 385.2 | 454.2 | 455.8 |
| Net cash/debt | | 214.2 | 61.4 | – 10.4 | – 85.0 | – 0.1 |
| Equity | | 1 432.1 | 1 223.6 | 1 154.1 | 1 201.6 | 1 074.1 |
| Equity ratio | | 52.7% | 50.6% | 49.0% | 46.1% | 44.1% |
| Return on equity (ROE) | | 12.6% | 10.0% | 11.9% | 16.7% | 20.0% |
| Net working capital | | 428.6 | 413.0 | 450.3 | 472.6 | 416.0 |
| Net operating assets (NOA) average | | 1 273.9 | 1 293.1 | 1 295.7 | 1 268.0 | 1 061.3 |
| Return on net operating assets (RONOA) after tax | | 13.2% | 9.7% | 11.5% | 15.8% | 19.3% |
| Number of employees at 31 December [1] | | 12 108 | 11 175 | 11 072 | 11 554 | 10 916 |
| Average number of employees during year [1] | | 11 707 | 11 251 | 11 486 | 11 631 | 10 788 |
| Net sales per employee | CHF 1 000 | 226 | 212 | 217 | 241 | 250 |

[1] Expressed as full-time equivalents

# Addresses

## Bucher Group – www.bucherindustries.com

Bucher Industries AG
Murzlenstrasse 80  8166 Niederweningen  Switzerland
Phone +41 43 815 80 80  Fax +41 43 815 80 81
info@bucherindustries.com  www.bucherindustries.com

Bucher Management AG
Flughafenstrasse 90  8058 Zurich  Switzerland
Phone +41 43 815 80 80  Fax +41 43 815 80 81
info@bucherindustries.com  www.bucherindustries.com

## Kuhn Group, specialised agricultural machinery – www.kuhn.com

Kuhn SA
4, Impasse des Fabriques  67700 Saverne  France
Phone +33 388 01 81 00  Fax +33 388 01 81 01

Kuhn-Huard SA
Zone Horizon – 2 rue du Québec  44110 Châteaubriant  France
Phone +33 240 55 77 00  Fax +33 240 55 77 10

Kuhn-Audureau SA
Rue Quanquèse  85260 La Copechagnière  France
Phone +33 251 41 47 00  Fax +33 251 41 41 03

Kuhn-Blanchard SAS
24 rue de Nantes-Chéméré  44680 Chaumes-en-Retz  France
Phone +33 240 21 30 24  Fax +33 240 64 80 11

Kuhn-Geldrop B.V.
Nuenenseweg 165  5667 KP Geldrop  The Netherlands
Phone +31 40 28 93 300  Fax +31 40 28 53 215

Kuhn North America, Inc.
1501 West Seventh Avenue  Brodhead, WI 53520-0167  USA
Phone +1 608 897 21 31  Fax +1 608 897 25 61

Kuhn Krause, Inc.
305 S. Monroe St.  Hutchinson, KS 67504  USA
Phone +1 620 663 61 61  Fax +1 620 622 59 03

Kuhn do Brasil S/A
Rua Arno Pini 1380  99050-130 Passo Fundo, RS  Brazil
Phone +55 54 3316 6200  Fax +55 54 3316 6250

Kuhn-Montana Indústria de Máquinas S/A
Rua Francisco Dal Negro No. 3.400
83025-320 São José dos Pinhais, PR  Brazil
Phone +55 41 2102 0200  Fax +55 41 2102 0230

## Bucher Municipal, municipal vehicles – www.buchermunicipal.com

Bucher Municipal AG
Murzlenstrasse 80  8166 Niederweningen  Switzerland
Phone +41 44 857 22 11  Fax +41 44 857 22 49

Bucher Municipal GmbH
Schörlingstrasse 3  30453 Hanover  Germany
Phone +49 511 21 49 0  Fax +49 511 21 49 115

Bucher Municipal SIA
Ganibu iela 105  3601 Ventspils  Latvia
Phone +371 6 366 10 50  Fax +371 6 366 10 51

Bucher Municipal Ltd
258, Seohaean-Ro, Siheung SI,
Gyeonggi-Do 15086 Korea
Phone +82 31 498 89 61 Fax +82 31 498 89 85

Johnston Sweepers Ltd
Curtis Road  Dorking, Surrey RH4 1XF  United Kingdom
Phone +44 1306 88 47 22  Fax +44 1306 88 41 51

Johnston North America
105 Motorsports Road  Mooresville, NC 28115  USA
Phone +1 704 658 1333  Fax +1 704 658 1377

Beam A/S
Salten Skovvej 4 – 6  8653 Them  Denmark
Phone +45 86 84 76 00  Fax +45 86 84 77 34

J. Hvidtved Larsen A/S
Lillehøjvej 15  8600 Silkeborg  Denmark
Phone +45 86 82 12 11  Fax +45 86 80 25 80

Bucher Municipal Pty Ltd
65 – 73 Nantilla Road  Clayton North, 3168 Victoria  Australia
Phone +61 3 9271 64 00  Fax +61 3 9271 64 80

Giletta S.p.A.
Via A. De Gasperi, 1  12036 Revello  Italy
Phone +39 0175 258 800  Fax +39 0175 258 825

Gmeiner GmbH
Daimlerstrasse 18  92533 Wernberg-Köblitz  Germany
Phone +49 9604 93 26 70  Fax +49 9604 93 26 749

Bucher Leopard Enterprise Management Co. Ltd
9 Shuangshan Road  Zichuan Economic Development Zone
Shandong  China
Phone +86 533 602 9333  Fax +86 533 622 5555

## Bucher Hydraulics, hydraulic components – www.bucherhydraulics.com

Bucher Hydraulics GmbH
Industriestrasse 1  79771 Klettgau  Germany
Phone +49 7742 85 20  Fax +49 7742 71 16

Bucher Hydraulics Erding GmbH
Albert-Einstein-Strasse 12  85435 Erding  Germany
Phone +49 8122 9713-0  Fax + 49 8122 9713-27

Bucher Hydraulics AG
Industriestrasse 15  6345 Neuheim  Switzerland
Phone +41 41 757 03 33  Fax +41 41 755 16 49

Bucher Hydraulics AG Frutigen
Schwandistrasse 25  3714 Frutigen  Switzerland
Phone +41 33 672 61 11  Fax +41 33 672 61 03

Bucher Hydraulics S.p.A.
Via P. Colletta, n. 5  42124 Reggio Emilia  Italy
Phone +39 0522 9284 11  Fax +39 0522 5132 11

Bucher Hydraulics, Inc.
1363 Michigan Street, NE  Grand Rapids, MI 49503  USA
Phone +1 616 458 13 06  Fax +1 616 458 16 16

Bucher Hydraulics Pvt. Ltd
Plot No. 6  Sector 5  IMT  Manesar  Gurgaon 122050  India
Phone +91 124 47 00 100  Fax +91 124 40 39 499

Bucher Hydraulics (Suzhou) Co. Ltd
168 Shexing Road
Foho New & Hi-tech Industrial Development Zone
215214 Wujiang City, Jiangsu  China
Phone +86 512 6322 1299  Fax +86 512 6322 1033

Bucher Hidráulica Ltda.
Rua Berto Cirio, 1420, São Luis
92420-030 Canoas – RG  Brazil
Phone +55 51 3361 3512  Fax +55  51 3341 2210

## Bucher Emhart Glass, manufacturing equipment for the glass container industry – www.bucheremhartglass.com

Emhart Glass SA
Hinterbergstrasse 22 6312 Steinhausen Switzerland
Phone +41 41 749 42 00 Fax +41 41 749 42 71

Emhart Glass Sweden AB
Universitetsallén 1 85121 Sundsvall Sweden
Phone +46 60 199 100 Fax +46 60 199 261

Emhart Glass Sdn Bhd
20, Jalan Mahir 5 Taman Perindustrian Cemerlang
81800 Ulu Tiram, Johor Malaysia
Phone +607 859 01 00 Fax +607 863 77 17

Emhart Glass Manufacturing Inc.
74 Kahler Road North Horseheads, NY 14845 USA
Phone +1 607 735 2600 Fax +1 607 735 2601

Emhart Glass Inc. Emhart Glass Research Center
123 Great Pond Drive Windsor, CT 06095 USA
Phone +1 860 298 7340 Fax +1 860 298 7395

Shandong Sanjin Glass Machinery Co Ltd
577 Xinglu Road Zhoucun District
255300 Zibo, Shandong China
Phone +86 533 618 17 17 Fax +86 533 618 17 18

Emhart Glass GmbH
Weissenfelser Strasse 69a 04229 Leipzig, Germany
Phone +49 341 250773 20 Fax +49 341 250773 21

## Bucher Specials

Bucher Vaslin SA
Rue Gaston Bernier 49290 Chalonnes-sur-Loire France
Phone +33 241 74 50 50 Fax +33 241 74 50 52
www.buchervaslin.com

Bucher Vaslin Sudamérica
Neptuno 1339 – Quinta Normal Santiago Chile
Phone +56 2 773 3960 Fax +56 2 773 3960

Bucher Unipektin AG
Murzlenstrasse 80 8166 Niederweningen Switzerland
Phone +41 44 857 23 00 Fax +41 44 857 23 41
www.bucherunipektin.com

Bucher Landtechnik AG
Murzlenstrasse 80 8166 Niederweningen Switzerland
Phone +41 44 857 26 00 Fax +41 44 857 24 12
www.bucherlandtechnik.ch

Jetter AG
Gräterstrasse 2 71642 Ludwigsburg Germany
Phone +49 7141 2550 486 Fax +49 7141 2550 484
www.jetter.de

This annual report is also published in English. The German version is decisive in case of doubt.