BUCHER

Annual report 2013

Key figures >

Cover picture: partially automated assembly and testing of directional valves.

Key figures

Group

CHF million				change in		
		2013	2012	%	%[2]	%[3]
Order intake		2 718.2	2 490.4	9.1	9.0	6.6
Net sales		2 690.8	2 609.0	3.1	3.0	0.8
Order book		850.4	795.3	6.9	6.5	3.3
Operating profit before depreciation and amortisation (EBITDA)[1]		371.1	306.9	20.9		
As % of net sales		13.8%	11.8%			
Operating profit (EBIT)[1]		287.1	231.7	23.9		
As % of net sales		10.7%	8.9%			
Net financial items		– 11.4	– 12.6	9.5		
Income tax expense[1]		– 79.5	– 63.1	– 26.0		
As % of profit before tax		28.8%	28.8%			
Profit/(loss) for the year[1]		196.2	156.0	25.8		
As % of net sales		7.3%	6.0%			
Earnings per share in CHF[1]		19.64	15.52	26.5		
Capital expenditure		136.6	96.5	41.6		
Operating free cash flow		91.7	105.4	– 13.0		
Development costs		90.5	80.8	12.0		
Net cash/debt		– 0.1	– 19.4	99.5		
Total assets[1]		2 436.3	2 259.4	7.8		
Equity[1]		1 074.1	890.3	20.6		
Equity ratio		44.1%	39.4%			
Return on equity (ROE)		20.0%	18.3%			
Net operating assets (NOA), average		1 061.3	969.6	9.5		
Return on net operating assets (RONOA), after tax[1]		19.3%	17.0%			
Number of employees at 31 December		10 916	10 166	7.4		2.1
Average number of employees during year		10 788	10 383	3.9		0.7
Net sales per employee	CHF 1 000	250	251	– 0.4	– 0.8	0.1

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.
[2] Adjusted for currency effects.
[3] Adjusted for currency, acquisition and disposal effects.

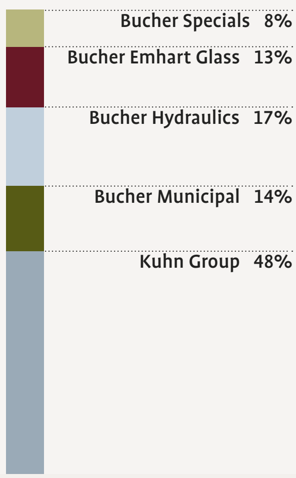
Divisions

CHF million	Order intake		Net sales		Order book		Operating profit (EBIT)		Number of employees at 31 December	
	2013	2012	2013	2012	2013	2012	2013	2012[1]	2013	2012
Kuhn Group	1 261.7	1 199.0	1 285.8	1 222.4	482.2	491.5	191.2	153.0	4 699	4 495
Bucher Municipal	393.5	364.3	383.2	424.2	104.2	95.7	33.1	39.3	1 523	1 429
Bucher Hydraulics	451.8	386.4	453.3	406.8	69.1	52.8	42.4	36.5	1 984	1 647
Bucher Emhart Glass	354.1	338.7	346.6	366.5	118.7	109.3	16.7	1.0	1 864	2 027
Bucher Specials	257.1	202.0	244.0	205.8	76.2	46.0	24.4	16.6	785	506
Other/consolidation	–	–	– 22.1	– 16.7	–	–	– 20.7	– 14.7	61	62
Group	**2 718.2**	**2 490.4**	**2 690.8**	**2 609.0**	**850.4**	**795.3**	**287.1**	**231.7**	**10 916**	**10 166**

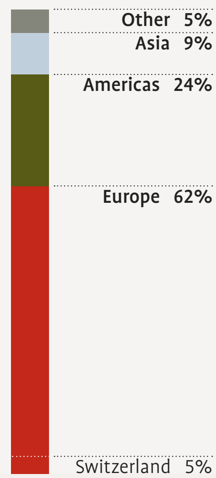
[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

Net sales

By division

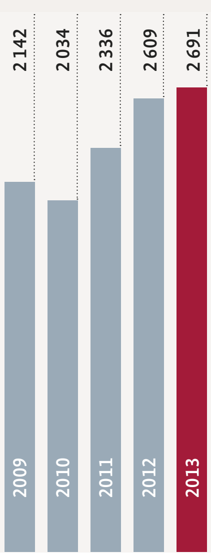


By region

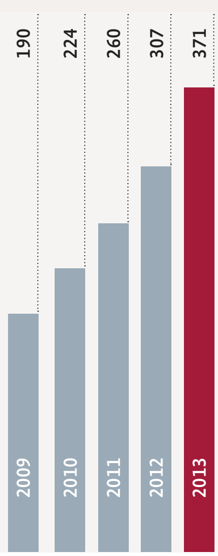


Five-year summary

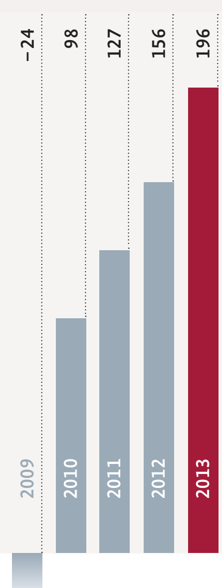
Net sales
CHF million



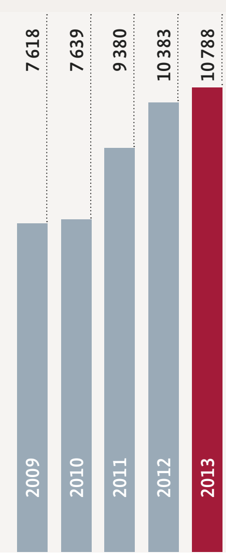
Operating profit (EBITDA)
CHF million



Net profit
CHF million



Average number of
employees during year



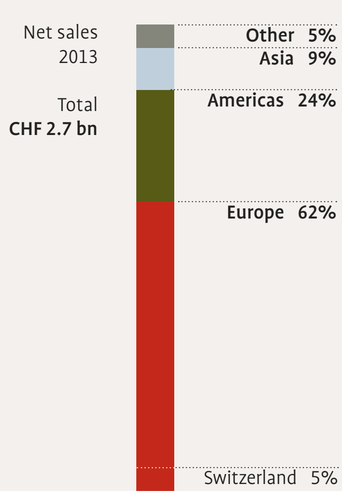
Contents

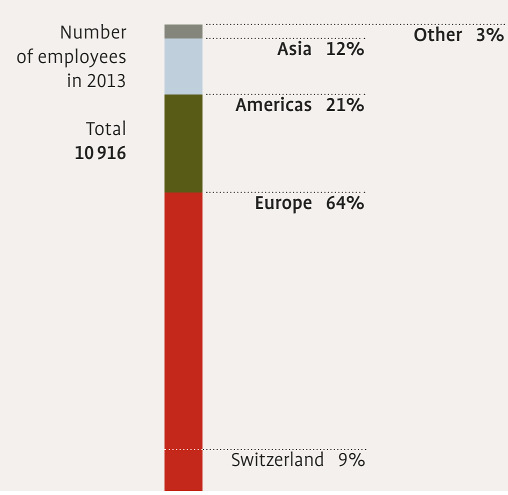
Bucher at a glance

We maintain our flexibility through decentralised management and profit responsibility, combined with group-wide strategic and financial management and a strong equity base. In setting targets for the operating profit margin of 12% EBITDA and 9% EBIT on net sales, we are pursuing the ambitious financial target of a 16% after-tax return on net operating assets (RONOA).

Our mission Bucher develops and manufactures economical, state-of-the-art and environmentally sustainable machinery and systems. Our products are geared to customers' requirements, durable and highly energy efficient. Bucher machinery is used for a variety of purposes, such as harvesting, producing and packaging foods, keeping cities and roads clean and safe, or hydraulic systems for high-performance equipment. We provide our customers with effective, innovative products, with high quality standards underpinned by outstanding service. We offer our committed, highly skilled employees attractive jobs and training opportunities adapted to individual needs.

Our goals We seek to achieve superior profitability and a sound balance sheet through technology leadership, a strong market position and systematic cost management. We will continue to build the Group through organic growth and innovation, as well as by acquiring and integrating selected, complementary businesses.





Our businesses The Group comprises five divisions specialising in industrially related areas of mechanical and vehicle engineerings. Their operations are geared towards fundamental human needs and have substantial worldwide growth and earnings potential.

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

Bucher Municipal is the European and Australian market leader in municipal vehicles for cleaning and clearing snow from public and private spaces offering a wide range of compact and truck-mounted sweepers, winter maintenance equipment and refuse collection vehicles.

Bucher Hydraulics is a leading international manufacturer of custom-made hydraulic systems. The wide range of products includes pumps, motors, valves, power units, cylinders, elevator drives and control systems with integrated electronics.

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

Bucher Specials comprises machinery and equipment for winemaking (Bucher Vaslin), equipment and technologies for processing fruit juice and instant products and for dewatering sewage sludge (Bucher Unipektin), a Swiss distributorship for tractors and specialised agricultural machinery (Bucher Landtechnik), and control systems for automation technology (Jetter).

Report to shareholders

Dear Shareholders

We are pleased to report that the 2013 business year was a successful one. The developments in our main markets showed a varied, but mostly favourable, picture. Order intake increased by 9% and sales by 3%. The good operating performance across all divisions, particularly at Kuhn Group, resulted in an outstanding operating profit margin of 10.7%. Group profit for the year was CHF 196 million, a 26% rise on the previous year, while earnings per share reached CHF 19.64.

Market trends In the reporting year, the market for agricultural machinery developed well and the healthy level of farmers' incomes boosted investment confidence. Demand for municipal vehicles remained at a low but stable level because of the austerity measures adopted in the public sector. Market trends at Bucher Hydraulics showed clear regional variations, but demand grew strongly, particularly in the mobile machinery segment. Measures to curb economic growth in China had an impact on the business with glass-forming machinery for the glass container industry. Demand for winemaking equipment did not pick up until the second half of the year. On the other hand, the business with equipment and technologies for processing fruit juice and the Swiss distributorship for specialised agricultural machinery and tractors benefitted from a strong market dynamic. Currency effects were marginal in the reporting year.

Outstanding operating result The Group took advantage of the generally favourable market conditions, increasing order intake by 9%. More than two-thirds of this improvement was attributable to organic growth. Sales increased by 3% year on year. Kuhn Group benefitted from solid demand in its principal markets in Europe and in North and South America, while Bucher Municipal was able to increase market share thanks to flexible production capacity. Bucher Hydraulics and Bucher Specials both gained ground, while Bucher Emhart Glass saw the expected decrease in sales. The Group's operating profit rose by 24% to CHF 287 million and the operating profit margin was 10.7%. This record result was possible thanks to substantial growth at Kuhn Group and systematic cost management across all divisions. Group profit for the year showed a marked rise of 26%, reaching CHF 196 million. Earnings per share came in at CHF 19.64.

Further improvement in financial situation As part of sustainable business development, Bucher Industries increased capital expenditure to CHF 137 million. The most important single project was the expansion of Kuhn Group in France and the Netherlands, as well as the merger of three Bucher Municipal production plants in Dorking, Great Britain. In view of the acquisitions and investments, net operating assets as a percentage of net sales increased to 40%, compared with 35% in 2012. The return on net operating assets (RONOA) after tax was 19.3%, which was above the figure for 2012 and exceeded the high long-term target of 16% set by the Group. Free cash flow came to CHF 62 million, on a par with the previous year's level. Cash and cash equivalents amounted to CHF 456 million, which was exactly the same as the financial liabilities, so the Group ended the year with zero net debt. The equity ratio increased from 39% to 44%.

Acquisitions and disposals The acquisitions of Filtrox Engineering AG, Switzerland, and Ölhydraulik Altenerding Dechamps & Kretz GmbH & Co. KG, Germany, announced in 2012, were brought to a successful conclusion in the reporting year. This strengthened the beverage technologies portfolio at Bucher Unipektin, while Bucher Hydraulics filled a gap in its product offering by the addition of hydraulic cylinder technologies in the high-pressure segment. Through the acquisition of Eco Sistemas Indústria de Máquinas Ltda., Brazil, in July 2013, Bucher Hydraulics gained entry to the largest market in Latin America for mobile and industrial hydraulics applications. At the end of September, Bucher Industries launched a voluntary public tender offer for the purchase of all the shares in Jetter AG, Ludwigsburg, Germany, at a price of 7.00 euros per share. During the period of the tender offer, the Group was able to increase its holding in Jetter AG to 77.35% of the share capital at the end of 2013. The goal is to acquire all the Jetter AG shares. In the last two years, Jetter has generated around half its sales with the Bucher Group, principally with Bucher Emhart Glass. Through the takeover of Jetter, the Group gained valuable expertise in the area of control and automation technology. As an industrial partner with a long-term perspective, the Group will support Jetter with the know-how and financial resources it needs to improve operating efficiency and profitability, building on its high level of technical expertise and strengthening its market position with third-party customers. Jetter was consolidated with effect from 1 November 2013 and integrated into the Bucher Specials division. In May of the reporting year, Bucher Municipal sold the ancillary hand-drier business in Australia, resulting in a gain of around CHF 4 million. This profitable business generated sales of about CHF 10 million in 2012.

Kuhn Group In the reporting year, the principal markets for agricultural machinery in Europe and in North and South America showed pleasing advances overall and the healthy level of farmers' income boosted investment confidence. In North America and western Europe, the start of the growing seasons was delayed by adverse weather conditions, but recovered quickly in the course of the reporting year. In the second half of the year, prices for soy, maize and wheat fell back, though this did not significantly affect Kuhn Group. In this market environment, the division increased both order intake and sales by 5%. Thanks to lower purchasing prices and other positive operational factors, the division achieved an outstanding operating profit margin of 14.9%. In the reporting year, Kuhn Group invested in capacity expansion, improvements in productivity, customer training and the efficiency of its logistics systems.

Bucher Municipal The European market for municipal vehicles and winter maintenance equipment remained stable at a low level. Despite the difficult and highly competitive environment, Bucher Municipal held its ground well and was able to further increase its share in various markets. Order intake increased year on year by 8%. As expected, sales decreased from the high level of the previous year, which was still influenced by a major order worth CHF 50 million from the city of Moscow. Thanks to the efficient handling of the order, the division was awarded a follow-up order in the reporting year. The division achieved a gratifying operating profit margin of 8.6%. This success is the result of ongoing increases in efficiency and structural improvements through consolidation of plants in recent years. To remain competitive in the Russian winter maintenance market for spreaders and snowploughs, the division opened an assembly plant for local production in Kaluga, Russia.

Bucher Hydraulics In the reporting year, developments in the markets served by Bucher Hydraulics showed wide regional variations. Demand for hydraulic systems and components in North America and Europe was encouraging overall. Brisk demand for hydraulic systems for selected mobile machinery more than compensated for the general decline in construction machinery and industrial hydraulics. Order intake rose by 17% and sales by 11%. The acquisition of the German company Ölhydraulik Altenerding in the high-pressure cylinder segment made a significant contribution to this positive trend. Underpinned by a high level of capacity utilisation at the plants in Europe and the USA, Bucher Hydraulics achieved an operating profit margin of 9.4%. The acquisition of Eco Sistemas near Porto Alegre, Brazil, in the reporting year enabled the division to establish a local base with engineering, production, sales and service capabilities.

Bucher Emhart Glass At Bucher Emhart Glass, the market environment was initially subdued. The project business with machinery for manufacturing glass containers and with inspection machinery gained momentum in the second half of the year. Investment confidence in Europe and America was at a normal level. The Chinese market suffered a sharp drop as a result of government measures aimed at dampening economic growth. Nevertheless, Bucher Emhart Glass was able to increase order intake by 5%. Sales fell by 5% compared with the high level posted in 2012, which was influenced by a major order from India worth CHF 19 million. As a result of the first measures to realign the division, the operating profit margin increased to 4.8%. Bucher Emhart Glass is aiming to realign its global presence and gear itself more effectively to changed market requirements. The worldwide collaboration with Owens-Illinois overcame an important operational hurdle at the beginning of September with the takeover of the spare parts business.

Bucher Specials Overall, the various market segments served by Bucher Specials developed very positively. Demand for winemaking equipment picked up in the second half of the reporting year in the European market, particularly in France, the main market. The business with production equipment for fruit juice benefitted significantly from the good harvest, low inventories at fruit juice producers and attractive prices for apple juice concentrate. In equipment for dewatering sewage sludge, sales exceeded CHF 10 million for the first time. The beer and microfiltration business of Bucher Filtrox Systems, acquired at the beginning of the reporting year, contributed to this growth. The Swiss distributorship for tractors and agricultural machinery took advantage of the friendly market environment. In this positive climate, Bucher Specials increased its order intake by 27% and sales by 19%. The division also achieved an operating profit margin of 10%. The influence of Jetter's automation technology, consolidated under Bucher Specials since November 2013, was minimal.

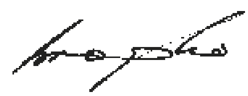
Dividend In view of the Group's solid profit for the year, the stable outlook for the current business year and a consistent dividend policy, the board of directors is proposing that the annual general meeting on 10 April 2014 approves payment of a dividend of CHF 6.50 per registered share. The previous year's dividend was CHF 5.00.

Board of directors and group management In April 2013, Thomas Bechtler decided not to stand for re-election after 25 years as a member of the board of directors. The Ordinance against Excessive Compensation in Listed Corporations came into force in Switzerland on 1 January 2014. Based on this legislation, the board of directors is proposing to the annual general meeting on 10 April 2014 that all members of the board be re-elected, with Rolf Broglie as chairman and Rolf Broglie, Claude R. Cornaz and Anita Hauser as members of the remuneration committee, and Valentin Vogt elected as a new member of the board, all to serve for a term of one year. Valentin Vogt has many years' international experience in industry. Among other positions he holds, he is chairman of the board of directors at the publicly listed company Burckhardt Compression, which he previously led for ten years as CEO. With effect from 1 January 2014, Stefan Düring was named as a member of group management and also as head of the Bucher Specials division. He will continue in his role as head of group development. Jean-Pierre Bernheim, head of Bucher Vaslin and a member of group management, retired at the end of the reporting year having reached the age of 65. The board of directors of Bucher Industries wishes to thank Jean-Pierre Bernheim on behalf of all employees and business partners for his great contribution to the development of Bucher Vaslin.

Thanks to our employees and partners In a market environment characterised by diverse trends, the Group achieved the best result in its more than 200-year history. We are particularly grateful to our employees who once more showed enormous commitment and professionalism during the past year in working to achieve this outstanding performance. Another mainstay of Bucher's success is the great trust and confidence placed in us by our business partners, shareholders and other stakeholders. Together with all our employees, they make a vital contribution to the Group. We wish to express our respect and appreciation to all concerned.

Outlook for 2014 The Group is not anticipating any fundamental change in the macroeconomic environment during the current year. Kuhn Group is forecasting slower growth in demand for agricultural machinery. Bucher Municipal expects the stable but low market volume to be sustained. The market environment for Bucher Hydraulics and Bucher Emhart Glass is unlikely to change significantly. Measures adopted by Bucher Emhart Glass to leverage its global presence should have a positive influence on operating profit. Bucher Specials expects the upward trend in its markets to continue, with the acquisition of Jetter having a positive effect on divisional sales. For the current year as a whole, the Group is expecting a slight increase in sales and a moderate decrease in profitability from the record high of 2013.

Niederweningen, 6 March 2014



Rolf Broglie
Chairman of the Board

Philip Mosimann
Chief Executive Officer

Rolf Broglie
Chairman of the Board

Philip Mosimann
Chief Executive Officer

Information for investors

At 31 December		2013	2012[1]	2011	2010	2009
Share capital						
Registered shares						
Par value	CHF	0.20	0.20	0.20	0.20	0.20
In issue and ranking for dividend	number	10 250 000	10 250 000	10 565 900	10 565 900	10 565 900
Authorised but unissued	number	1 184 100	1 184 100	1 184 100	1 184 100	1 184 100
Treasury shares	number	227 907	465 073	798 494	542 516	564 765
Issued share capital	CHF	2 050 000	2 050 000	2 113 180	2 113 180	2 113 180
Market capitalisation and dividends						
Market capitalisation	CHF million	2 654.8	1 845.0	1 734.9	1 845.9	1 186.6
as % of equity	%	257.7	215.8	222.2	251.0	151.9
Gross dividend per registered share	CHF	6.50 [2]	5.00	4.00	3.00	2.00
Total dividend	CHF million	66.6 [2]	51.3	42.3	31.7	21.1
Payout ratio	%	34.3 [2]	34.2	33.9	33.2	n.a.
Per share data						
Profit/(loss) for the year						
Basic earnings per share	CHF	19.6	15.5	12.5	9.5	– 2.6
Diluted earnings per share	CHF	19.5	15.5	12.5	9.5	– 2.6
Net cash flow from operating activities	CHF	22.3	20.4	17.6	26.0	23.9
Equity	CHF	100.5	83.4	73.9	69.7	73.9
Year high	CHF	259.0	200.3	215.0	175.0	126.9
Year low	CHF	182.2	144.2	128.7	111.6	69.0
Year-end price	CHF	259.0	180.0	164.2	174.7	112.3
Average price	CHF	226.0	173.5	173.8	136.0	105.9
Average dividend yield	%	2.9 [2]	2.9	2.3	2.2	1.9
Average daily trading volume	number	13 824	16 674	20 001	16 697	18 331
Price/earnings ratio (year-end price)		13.2	11.6	13.1	18.3	– 43.1

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.
[2] Proposal by the board of directors.

Stock exchange listing

The registered shares of CHF 0.20 each are listed on the main board of the SIX Swiss Exchange:

Security No.	243217
ISIN	CH0002432174
SIX Swiss Exchange	BUCN
Reuters	BUCN.S
Bloomberg	BUCN SW

The registered shares are also traded on the over-the counter markets of the following stock exchanges: Frankfurt, Stuttgart, Berlin, Xetra.

Contact

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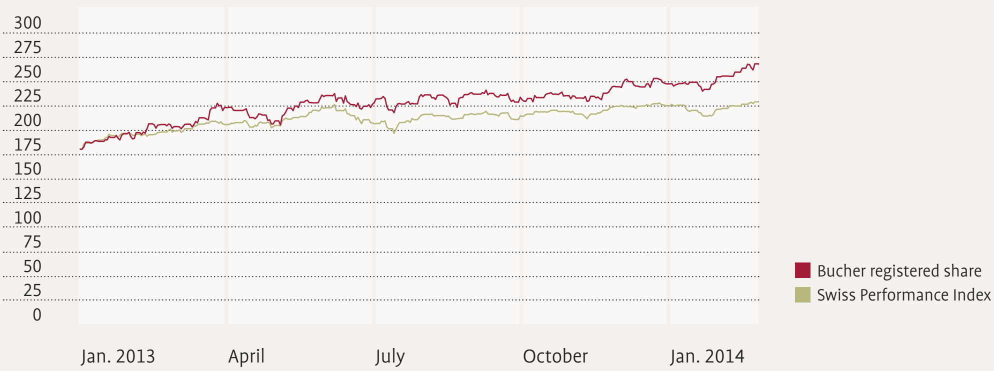
Financial calendar

Annual general meeting (Mövenpick Hotel, Regensdorf)	10 April 2014	3.00 pm
First trading date ex-dividend	14 April 2014	
Dividend payment	17 April 2014	
Release of first quarter 2014 group sales	29 April 2014	
Sustainability report	30 June 2014	
Interim report 2014	30 July 2014	
Release of third quarter 2014 group sales	27 October 2014	
Release of 2014 group sales	3 February 2015	
Annual press conference	5 March 2015	9.00 am
Annual analyst conference	5 March 2015	2.00 pm
Publication of annual report 2014	5 March 2015	
Annual general meeting (Mövenpick Hotel, Regensdorf)	14 April 2015	3.30 pm
First trading date ex-dividend	16 April 2015	
Dividend payment	21 April 2015	
Release of first quarter 2015 group sales	30 April 2015	
Sustainability report	30 June 2015	
Interim report 2015	30 July 2015	
Release of third quarter 2015 group sales	27 October 2015	

Share price performance CHF



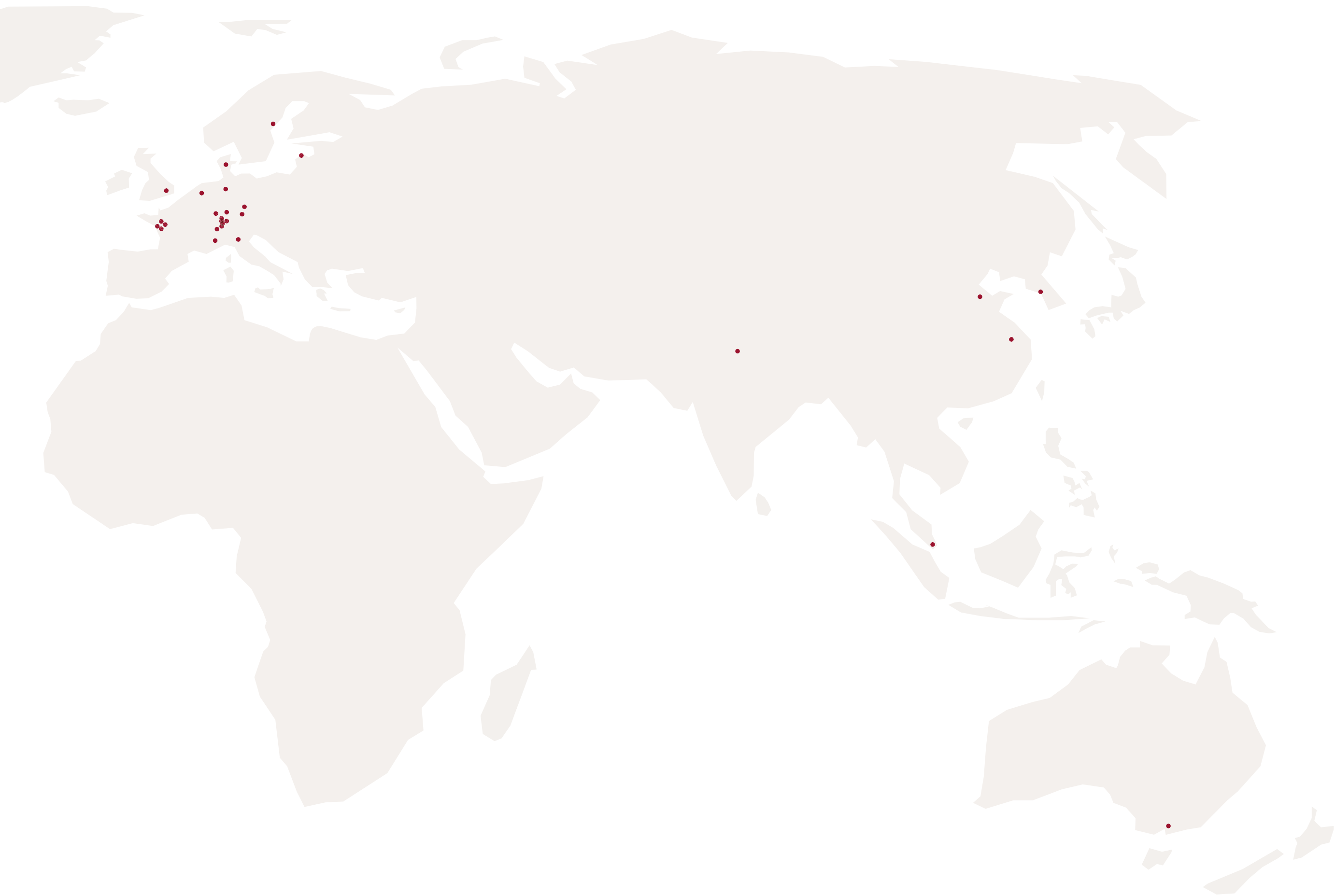
Customer focus: a key success factor

For us, customer satisfaction is the true measure of success. We see ourselves as a partner for the long term. Knowing and meeting customers' local requirements is something we take just as seriously as the challenge of prevailing in a global market, and that is what we work for: day in, day out.

Customer requirements To provide optimal satisfaction, we have to know our customers and their businesses really well. We start by tackling individual issues together. We seek and maintain an exchange of expertise and benefit from each other's know-how. This enables us to develop solutions that work on all levels.

Global and local Like us, our customers operate on a global basis. Our products are manufactured in specialised plants around the world, but our service is locally based. That enables us to stay in close touch with our personal contacts, familiarise ourselves with the local culture and speak the same language as our customers, in every sense of the phrase. That gives them the confidence that they are getting the right products at the right time.

Training To fully realise the quality and performance potential of machinery, it must be operated to the highest professional standards. That is why we train customers in the correct handling of our machines, with the emphasis always on practical application. At the same time, we evaluate customer feedback on their experiences with the equipment and make sure it informs the development of new products.



Partners A good relationship built up over many years is the solid foundation on which successful cooperation is based. That is why the interchange with customers is so important; we always give consideration to their perspective when examining a question and seek a dialogue. This approach ensures a good understanding as a basis for advancing together.

Service We stand for products of the highest quality and durability. Once we have sold a machine, we still remain committed to ensuring it has the longest possible useful life and make every effort to resolve service issues, wherever in the world they may occur. If required, our specialists will be on the spot without delay, bringing the materials they need to ensure uninterrupted operation of the installation.

Manufacturing sites
Total 40

Kuhn Group

Training for optimal results

Farmers depend on machines that are ideally suited to the intended job – and produce good results. However, effective operation requires instruction in correct handling. Our training centres provide the necessary platform. The staff at our distributorships can acquire the expertise that they need on an ongoing basis in order to give professional advice and support to farmers. A network of specialists is on hand to pass on practical knowledge about products, aspects of agronomy, and sales. Our versatile facilities and expert staff provide the ideal framework for learning about the many features of a machine and gaining hands-on experience. That gives the necessary confidence about its handling characteristics in the field and the assurance of having the right equipment.


To get the best out of the Girorake, there are all kinds of tricks to learn. One-to-one contact with experts in the training centre provides the necessary know-how.

Kuhn Group

Activities Kuhn Group is the world's leading manufacturer of specialised agricultural machinery for tillage, seeding, fertilisation, spraying, landscape maintenance, hay and forage harvesting, livestock bedding and feeding. It has an exceptionally wide range of products, tailored to suit the needs of all kinds of agricultural operations worldwide, including large farms and contractors. The division has production facilities in France, the Netherlands, the USA and Brazil.

Highlights In the reporting year, the principal markets for agricultural machinery in Europe and the Americas developed positively on the whole, and the healthy level of farmers' income stimulated investment. Thanks to this favourable market environment, the division was able to take advantage of its broad product range and strong position in the markets to increase sales by 5% compared with 2012. The operating profit margin was 14.9%, a further improvement year on year. Kuhn Group accounted for 48% of Group sales (2012: 47%).

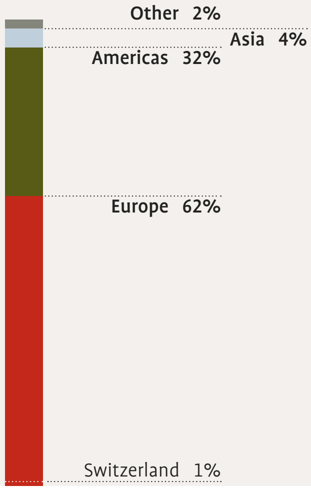
Key figures

CHF million	2013	2012	change in %	change in %[2]
Order intake	1 261.7	1 199.0	5.2	5.1
Net sales	1 285.8	1 222.4	5.2	5.0
Order book	482.2	491.5	−1.9	−2.4
Operating profit (EBITDA)[1]	229.8	187.6	22.5	
As % of net sales	17.9%	15.3%		
Operating profit (EBIT)[1]	191.2	153.0	25.0	
As % of net sales	14.9%	12.5%		
Number of employees at 31 December	4 699	4 495	4.5	
Average number of employees during year	4 754	4 558	4.3	

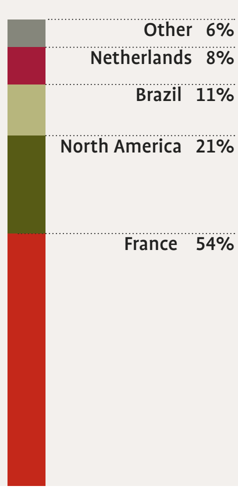
[1] 2012: retrospective restatement owing to first application of IAS 19 "Employee benefits (revised)".
[2] Adjusted for currency effects.

Geographical analysis

Net sales



Number of employees



Positive market environment The market for agricultural machinery in Europe developed well on the whole in the reporting year, although the economies of southern Europe were still noticeably weaker. In North and South America, demand continued at a high level throughout 2012. The start of the growing seasons in North America and western Europe was delayed because of the cold winter and heavy rainfall. This primarily affected the business with feed harvesters, although the market did recover in the course of the year. Dealer inventories were at a normal level overall. In the second half of the year, prices for soy, maize and wheat fell back, though without significantly affecting the willingness of farmers to invest.

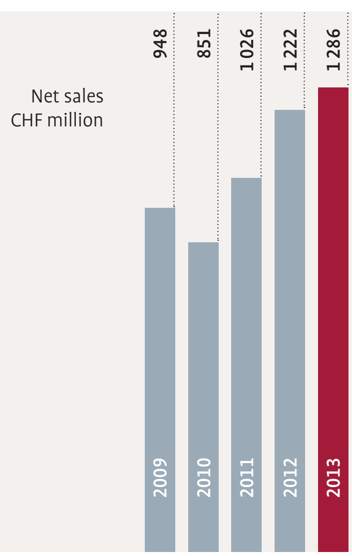
Business performance With the positive mood in its main markets still prevailing, Kuhn Group made the most of the favourable conditions to increase both order intake and sales. This development was underpinned primarily by rising demand in the principal markets in Europe and in North and South America. The US market saw brisk demand for agricultural machinery for milk and meat production and cereal growing. Following the successful acquisition of Kuhn Krause in 2011 and its subsequent integration, the division further strengthened its position in the tillage segment. The combination of locally manufactured and imported products enabled Kuhn Group to take full advantage of the positive market conditions. Thanks to last year's expansion of Kuhn Krause's manufacturing capacities, it was possible to avoid production bottlenecks and maintain delivery capabilities. A willingness on the part of farmers to invest was also apparent in South America, boosting the market position that the division has been building since it established a presence in Brazil eight years ago. The product range geared to the local market was steadily expanded and the dealer network extended, enabling the division to get the full benefit of the good momentum in this market. In the second half of the year, various operational factors, including lower purchasing costs, optimised production planning and greater vertical integration thanks to insourcing, as well as a good product mix made a significant contribution to the improvement in operating profit. All Kuhn Group's production units benefitted from these measures. As a result, operating profit increased by 25% to CHF 191 million and the operating profit margin reached an all-time high of 14.9%.

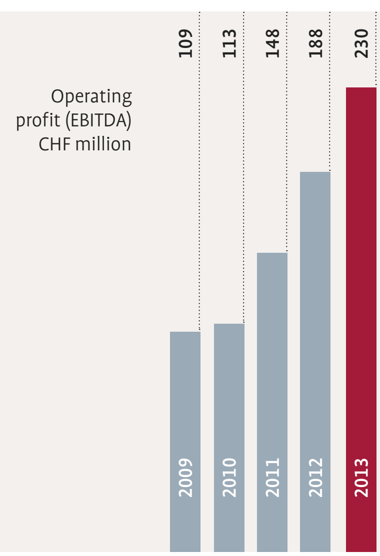
Investing in the future The investments announced and already partly implemented in 2012 at the Monswiller site, near Saverne, France, were successfully completed in the reporting year. The Kuhn Centre for Progress was completed in October 2013. Extending over 5 700 m², the site has seven training rooms, engineering facilities and a 1 500 m² showroom. Construction of the building involved environmentally friendly materials and resource-saving energy technology serving the entire infrastructure. The centre offers outstanding facilities for training farmers, dealers and other specialists in the agricultural machinery sector to a high level. It also serves as a platform for exchange of technological know-how between costumers

and developers, and for the demonstration of a broad range of products. A 6 400 m^2 extension and modernisation of the logistics centre for spare parts was also successfully completed in the reporting year. The hub is responsible for planning, storage and worldwide shipping of some 90 000 different parts for machinery produced in Europe. In view of the rapidly expanding product range and the increasing size of specialised agricultural machinery, the logistics centre is designed to handle a further 3 000 new articles every year. The extension will enable Kuhn Group to meet the rising expectations of customers regarding higher availability and ever shorter delivery times for parts.

Capacity expansion In France, planning of a new, highly efficient plant for the production of Kuhn-Audureau's large feed mixers progressed. The first stage of construction has already been completed. Since the acquisition of Kuhn Krause, the Hutchinson site in the USA has benefitted from a programme of investment to expand capacity and improve product quality. Investments in the extension of the Kuhn Krause plant in the reporting year comprised a production building of about 6 500 m^2, complete with the required logistics, including an additional materials storage facility. The intelligent concept for the building will improve the overall material flow and increase the efficiency of the whole production process. Apart from the new production facility, the existing factory building underwent continuous renovation and was upgraded through the purchase of more modern equipment. The investments resulted in improved, more flexible production processes and an increase in capacity of more than 20%. In South America, Kuhn do Brasil built a new facility for the storage of raw materials and metalworking, enabling the material flow to be optimised and the plant's efficiency to be further increased.

Awards for innovation Kuhn Group has focused for many years on developing its ten existing product families. During the reporting year, the handling and safety of the agricultural machinery were improved through advanced innovations. Other advances involved the use of electronics, automation technology and data management. The division also focused on increasing the operating efficiency of the machinery, while saving resources and optimising yields for farmers. Building on more than 30 years' experience and a technological edge in the area of balers, Kuhn Group extended the scope of this product family, adding a new innovative high-pressure large square baler. At Agritechnica 2013, the world's largest agricultural technology trade fair, the large square baler won the silver medal. The technology caused a surprise, achieving a 25% higher bale density without additional peak mechanical loading, yet with lower energy input. The German agricultural publisher, Deutscher Landwirtschaftsverlag München (dlv), awarded the machine the title of "2014 Machine of the Year", in the "Silage" category.





Management changes Michel Siebert, member of group management and head of division at Kuhn Group, is retiring at the end of September 2014. The board of directors of Bucher Industries has designated Thierry Krier, long-serving head of Kuhn North America, as his successor. He will take up his functions as a new member of group management and head of division at Kuhn Group with effect from 1 October 2014.

Outlook for 2014 Demand for agricultural produce and the related willingness of farmers to invest have been at a high level for several years. In the reporting year, soy, maize and wheat prices began to fall steeply and this trend could continue during 2014. Kuhn Group therefore expects the high level of demand in western European markets to show a slight decline. In eastern Europe, the growth trend should be sustained by ongoing efforts to mechanise agriculture. In North America, stabilisation of investment activity at a very high level is anticipated. The income of Brazil's farmers is likely to decline due to higher expenditure on plant protection and the lower price for soy. Kuhn Group nevertheless expects 2014 to bring attractive state-sponsored financial opportunities for farmers in this market. The weakening of the US dollar against the euro should increase pressure on margins for exports from Europe to the USA. For 2014 as a whole, the division expects to generate sales on a par with the previous year, coupled with slightly lower profitability.

Division management

Michel Siebert,
Division president

Dominique Schneider,
Finance and controlling

Jeannot Hironimus,
Business development

Jean-Luc Collin,
Production and research

Roland Rieger,
Sales

Guy Rostoucher,
Kuhn-Audureau SA

Dominique Devillers,
Kuhn-Blanchard SAS

Didier Vallat,
Kuhn-Geldrop B.V.

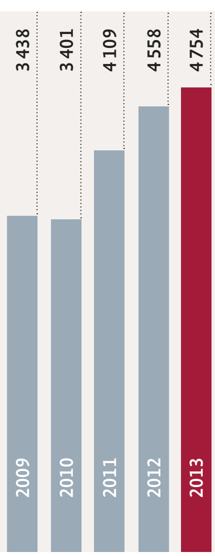
Hervé Arlot,
Kuhn-Huard SA

Thierry Krier,
Kuhn North America, Inc.

Mario Wagner,
Kuhn do Brasil S/A

At 6 March 2014

Average number of employees during year



Bucher Municipal

All-round service for safe roads

Towns and cities work 365 days a year to keep their streets clean and safe. To deal with challenging weather and road conditions, for example in winter, they need to be well equipped. A 24-hour service hotline is available for customers who need service support at short notice. They describe the situation and get instructions about the action required to deal with it. If vehicles or components are needed unexpectedly, they will be delivered to the required location without delay by our service organisation. Thanks to this direct personal service, our customers can feel confident of fulfilling their responsibility to the public at all times.

Road maintenance often brings the unexpected. Having a strong partner close at hand is an assurance that the public service remit can be fulfilled.


Winterdienst
Gmeiner

Bucher Municipal

Activities Bucher Municipal is the European and Australian market leader in municipal vehicles for cleaning and clearing snow from public and private spaces. It offers a wide range of compact and truck-mounted sweepers, winter maintenance equipment and refuse collection vehicles. The division has production facilities in Switzerland, Germany, Great Britain, Italy, Denmark, Latvia, the USA, Australia and South Korea.

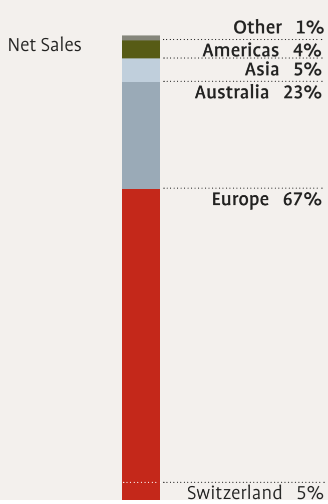
Highlights In the reporting year, the European market for sweepers and winter maintenance equipment remained stable at a low level. Bucher Municipal held its own well, despite the difficult environment. Order intake was 8% above the previous year's level. Sales were lower than in 2012, which was influenced by the major order worth CHF 50 million from the city of Moscow. In line with expectations, operating profit was below the previous year's level. The division accounted for 14% of Group sales (2012: 16%).

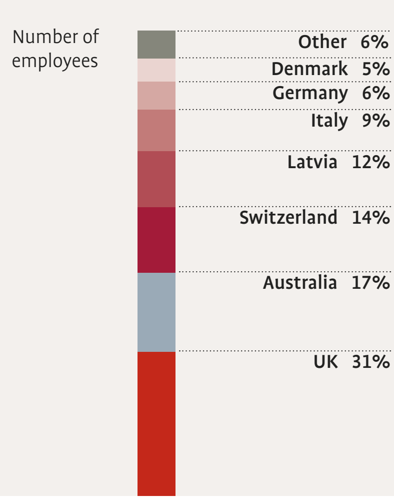
Key figures

CHF million			change in		
	2013	2012	%	%[2]	%[3]
Order intake	393.5	364.3	8.0	10.0	11.5
Net sales	383.2	424.2	−9.7	−7.9	−6.8
Order book	104.2	95.7	8.9	10.9	11.5
Operating profit (EBITDA)[1]	40.1	45.8	−12.4		
As % of net sales	10.5%	10.8%			
Operating profit (EBIT)[1]	33.1	39.3	−15.8		
As % of net sales	8.6%	9.3%			
Number of employees at 31 December	1 523	1 429	6.6		7.7
Average number of employees during year	1 488	1 478	0.7		0.9

[1] 2012: retrospective restatement owing to first application of IAS 19 "Employee benefits (revised)".
[2] Adjusted for currency effects.
[3] Adjusted for currency, acquisition and disposal effects.

Geographical analysis





Stable market environment The European market for municipal vehicles declined sharply as a result of the austerity measures adopted in the public sector since 2008. In the reporting year, demand remained at this level. In southern Europe, the general restraint on investment continued to have a marked impact. In this market environment, the division has managed to keep sales relatively stable since 2008. It even succeeded in increasing market share thanks to its good position and flexible production capacities. Early in the year, the winter maintenance business profited from the long, cold winter, but felt the effects of the pressure to economise in southern Europe. In the second half of the year, demand for refuse collection vehicles in Australia picked up noticeably following a slow first half.

Business performance In a price-sensitive and highly competitive environment, Bucher Municipal was able to further increase its market share in Europe and Australia. Order intake rose by 8%, partly thanks to a follow-up order from the city of Moscow. As expected, sales decreased from the high level of the previous year, which was still influenced by the original order worth CHF 50 million from the city of Moscow. Thanks to the highly professional handling of this first order, the division won a follow-up contract from the city of Moscow. The second order is worth CHF 19 million, of which about CHF 12 million contributed to sales in the reporting year. The ancillary business with hand-driers in Australia, which was taken over as part of the acquisition of Johnston Sweepers in 2005, was divested in the reporting year. In 2012, this business generated sales of CHF 10 million. The gain from the disposal amounted to CHF 4 million. Thanks to great cost awareness and continuous efforts to streamline cost structures and optimise processes, the division achieved an operating profit margin of 8.6%, or 7.6% after adjustment for disposal.

Successful rationalisation In 2012, Bucher Municipal announced the consolidation of three production plants belonging to Johnston Sweepers in Dorking, Great Britain, with the aim of making processes more efficient and harnessing synergies. This led to the opening of an ultra-modern production plant, covering 6 500 m^2, in the reporting year. The investments in a new production building and a new paint shop and welding plant totalled CHF 16 million. The first measurable results were higher utilisation of capacities, reduction of the time required for painting, coupled with improved quality and lower production costs. Further investments planned in 2014 include the installation of an automated warehouse system and automation of the welding installation through the introduction of robots.

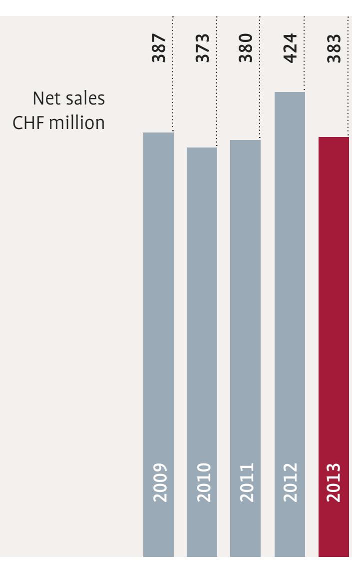
Winter maintenance strengthened Bucher Municipal is strengthening the winter maintenance business and has consolidated all the corresponding activities under a single management. As part of this move, it has increased its equity holding in the Italian company Giletta S.p.A. from 50% to 60%. The winter service business will benefit from the full harnessing of synergies and customers from the combined know-how, broad product offering

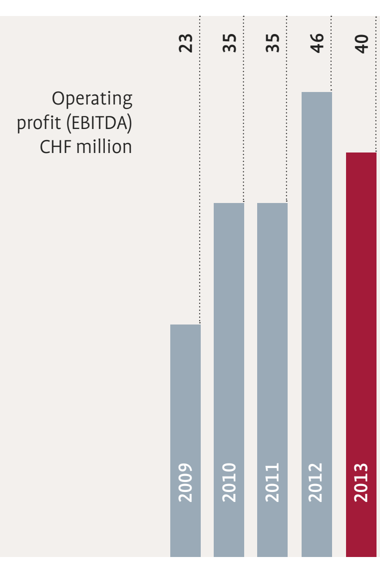
and close relationships. In a further step, the division, working with a local Russian partner, consolidated its market position as a local producer with a new 3 500 m^2 production facility for spreaders and snowploughs, located in Kaluga, Russia. The plant started operations at the beginning of 2014. The state-of-the-art facility will make it possible to offer locally based customers a product range manufactured to European quality standards, but adapted to withstand the extreme weather conditions and salt quality in Russia. For Bucher Municipal, Kaluga is an ideal location from which to serve major cities as well as customers in other regions of Russia.

Modernisation of logistics Bucher Municipal optimised the storage and commissioning processes at its Niederweningen site with a new logistics system that will further improve its ability to offer customers the shorter delivery times they request, as well as to provide a spare parts service with a 24-hour turnaround. The division introduced state-of-the-art installations to improve the warehouse structure, the material flow and the efficiency of the logistics processes, thus improving the availability of the parts. The goal is to deliver 95% of spare parts to customers within 24 hours.

Innovative drive systems Low-emission drive systems with enhanced efficiency are the sweeper technology of the future. In 2009, an innovative and future-oriented drive concept with a hydrogen fuel cell and electric motors was integrated into a CityCat 2020 sweeper. The project is led by the Swiss Federal Laboratories for Materials Testing (EMPA) and the Paul Scherrer Institute (PSI), and involves other partners. Early test results highlighted the need for further development work on the fuel cell and other new components, since these had not yet proved their suitability in everyday use or economic efficiency. In the reporting year, the vehicle with the improved components was put through intensive trials on a test rig and deployed in five Swiss cities for further field testing. The results were positive, confirming the high expectations of the project team. Energy consumption was reduced by 50%, and, thanks to the electric drives, engine noise was eliminated and there was a massive reduction in noise emissions to below 80 dBA.

Generational change for sweepers Three years ago, following intensive development efforts, Bucher Municipal successfully launched the first of a new generation of sweepers onto the market. These are modular in design and sufficiently standardised to allow as many components and parts as possible to be used interchangeably in the various sweeper models. Following replacement of the various truck-mounted sweepers and the 1 m^3 compact machine with the new generation and a very successful market launch, the division pushed on in the reporting year with the development of the 4 m^3 compact sweeper on the same basis, incorporating the latest know-how. The first prototypes were put through fatigue tests as well as initial customer trials and acceptance inspections. The launch of this latest example of the new generation of sweepers is planned for the second half of 2014.





Outlook for 2014 Bucher Municipal does not anticipate any fundamental change in the financial situation affecting European countries, cities and local authorities. The division is accordingly gearing its capacity to the stable but low market volume, while maintaining the high degree of flexibility needed to respond to any change in the level of demand. Bucher Municipal started 2014 with a solid order book, partly thanks to the follow-up order from the city of Moscow. The efforts to optimise cost structures will continue. The cost and efficiency advantages arising from the merger of Johnston Sweepers' three production plants into a single site in Dorking, Great Britain, should become fully effective in the second half of 2014. For 2014, Bucher Municipal anticipates sales and operating profit, adjusted for the gain on disposal of the business with hand-driers, on a par with the previous year.

Division management

Michael Häusermann,
Division president

Stefan Häni,
Finance and controlling

Thomas Dubach,
Bucher Schörling

Coen van Rosmalen,
Johnston Sweepers

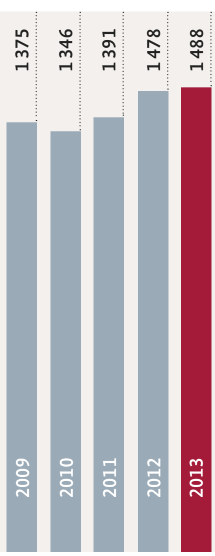
Peter Rhodes,
Beam

David Waldron,
MacDonald Johnston

Guido Giletta,
Winter maintenance

At 6 March 2014

Average number of employees during year



Bucher Hydraulics

Relying on a single partner worldwide

Globally active industrial enterprises need hydraulic systems that conform to the same standard, wherever in the world they are. This requires an understanding of customers' local challenges and requirements and meeting them with individual solutions. Global Account Management is the interface that makes this possible. Customers from anywhere in the world can resolve specific issues through a personal contact who provides a channel for their needs and coordinates them with Bucher Hydraulics centres of excellence worldwide. On that basis, we work together locally to create solutions geared to specific regional requirements. This gives our customers the assurance that they can rely on us anywhere in the world.

Globally active customers want a partner with a global presence who can produce locally. Bucher Hydraulics ensures we stay in close contact.

Bucher Hydraulics

Activities Bucher Hydraulics is a leading international manufacturer of customised hydraulic systems, which customers all over the world integrate into their products. The systems are designed to meet state-of-the-art standards of engineering, safety and quality. The wide range of products includes pumps, motors, valves, cylinders, power units, elevator drives and control systems with integrated electronics. With manufacturing facilities and distribution companies in Europe, India, China, the USA and Brazil, Bucher Hydraulics is close to its markets and customers around the world.

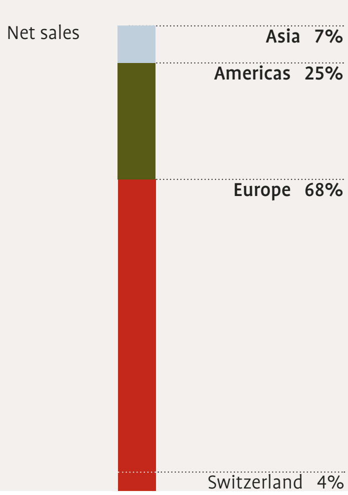
Highlights Bucher Hydraulics increased order intake by 17% in the reporting year, with acquisitions contributing 10% to the total. The division achieved this performance despite major differences in the development of the various market segments as well as the slowdown in the Chinese market. Sales and operating profit showed a gratifying rise year on year. The division accounted for 17% of Group sales (2012: 15%).

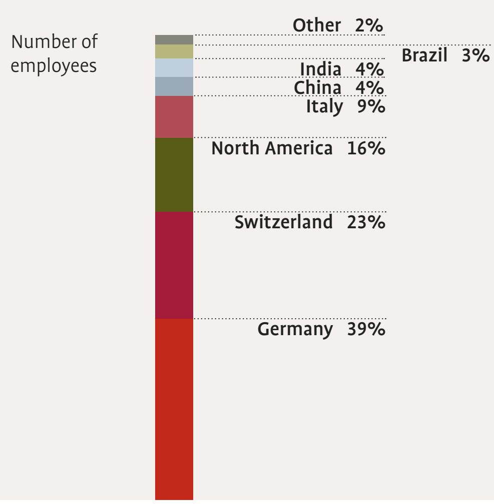
Key figures

CHF million			change in		
	2013	**2012**	**%**	**%[2)]**	**%[3)]**
Order intake	451.8	386.4	16.9	16.6	7.4
Net sales	453.3	406.8	11.4	11.1	1.4
Order book	69.1	52.8	30.9	30.6	13.7
Operating profit (EBITDA)[1)]	61.6	53.9	14.3		
As % of net sales	13.6%	13.2%			
Operating profit (EBIT)[1)]	42.4	36.5	16.2		
As % of net sales	9.4%	9.0%			
Number of employees at 31 December	1 984	1 647	20.5		3.2
Average number of employees during year	1 939	1 700	14.1		– 1.2

1) 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.
2) Adjusted for currency effects.
3) Adjusted for currency, acquisition and disposal effects.

Geographical analysis





Uneven demand In the reporting year, the markets served by Bucher Hydraulics presented a varied picture across the different regions. In North America, demand for hydraulic systems and components grew strongly in the first six months, but fell back somewhat in the second half. In Europe, the markets remained subdued overall, with sharp falls in some regions. The first positive signs were seen in the second half of the year. Hydraulic systems in the mobile machinery segment made very pleasing advances across all regions. By contrast, the construction machinery and industrial hydraulics segments in Europe, North America and China showed a downward trend, already apparent at the start of the reporting year. The Chinese market in particular was heavily affected by government measures to curb economic activity and the construction boom. On the technology front, the trend towards electrohydraulic drive systems continued.

Business performance Bucher Hydraulics reported a marked increase in order intake and sales in 2013. Even after adjustment for the acquisition of Ölhydraulik Altenerding, sales were slightly higher than in the previous year. The business with hydraulic systems, in particular for selected mobile machines, as well as the energy and elevator technology segments, enjoyed brisk demand. This offset the general slowdown in construction machinery and industrial hydraulics. Thanks to a high level of capacity utilisation at some of the plants in Europe and the USA and efficient harnessing of synergies between the different centres of excellence, the division increased operating profit and the operating profit margin. The acquisition of Eco Sistemas, Brazil, represented a further step in the division's systematic expansion of its worldwide market coverage and at the same time established a presence in the important South American market.

Investing in local presence The new 9 000 m^2 production building in Klettgau, Germany, completed in 2012, was successfully brought on stream in the reporting year. At the beginning of the year, the division purchased a property, including a factory building, in Manesar near New Delhi, India, as a new base for its manufacturing capacity in India. Following a complete renovation of the building, production restarted at the site in the final quarter of 2013. This has created a good platform for further expansion of production capacity, which will enable the division to keep pace with the rapid growth of the Indian market.

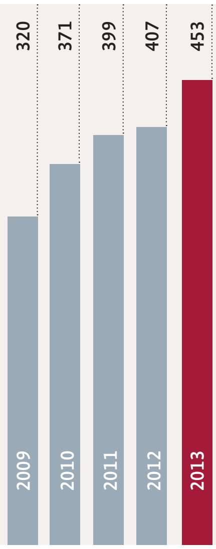
Integration of acquisitions The acquisition of Eco Sistemas in Porto Alegre, Brazil, was completed in July of the reporting year, and the company was renamed Bucher Hidráulica Ltda. Through the acquisition, Bucher Hydraulics has created a platform to strengthen its worldwide presence and established a new local base in South America, with engineering, production, sales and service capabilities. The closeness to the relevant markets as well as to companies with global operations is a key factor for the further growth of the division. The first stage

in the integration of Bucher Hidráulica went according to plan, without any major problems. In the reporting year, the integration of Ölhydraulik Altenerding in Erding, Germany, passed some important milestones. The company's operations were fully integrated into Bucher Hydraulics' IT and ERP systems. After experiencing some initial difficulties in the production processes, which delayed some deliveries, the situation was resolved to the complete satisfaction of the customers. In addition, the first jointly developed new hydraulic systems were realised and successfully placed with customers. Further joint developments for special systems, making use of synergies, will open up new sales potential.

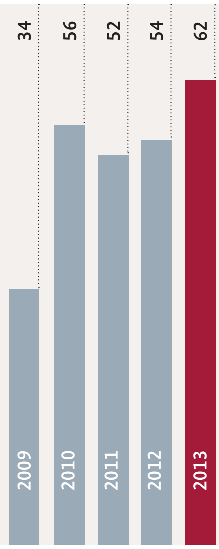
iPack new in the market In an intensive joint effort with customers and partners in the reporting year, Bucher Hydraulics developed a new product called iPack, a compact control and drive system for hydraulic elevators. In October of the reporting year, the innovation was unveiled to customers at Interlift in Augsburg, Germany, the industry's leading trade show. This intelligent system can be installed in an existing lift installation in less than one day. Downtime is significantly reduced and the much shorter refitting times offer considerable cost savings. iPack consists of a hydraulic drive with an intelligent iValve, made by Bucher Hydraulics, which adjusts automatically to the required setting. High precision in positioning the cabin is one of its features. In addition to enabling the rapid conversion of elevator technology, another of iPack's advantages is that it uses up to 50% less energy thanks to the intelligent control system and electronic valve adjustment.

Electrohydraulics trend To address the increasing complexity of modern machinery, the strengths of various types of hydraulic drive technology can be combined with electrical and electronic components to design electrohydraulic systems which cover a much wider spectrum of sophisticated requirements. These offer higher power density, greater force and more precise controls. The unrivalled capability of hydraulic systems to concentrate maximum force in the smallest space is combined with the undisputed advantages of electric drives and electronics. Such systems open up new possibilities for drive technology, offering precisely controlled movement along with maximum flexibility and ease of use for customers.

Net sales
CHF million



Operating
profit (EBITDA)
CHF million



Outlook for 2014 For Bucher Hydraulics, the great uncertainties besetting the market environment are likely to persist in 2014. Developments in Germany will play a crucial role, particularly in Europe, the division's largest market. The impetus in the mobile machinery segment and healthy demand in the USA should be sustained, though at a slightly reduced level. Orders from globally operating customers which are just entering series production will underpin the sales trend. The Chinese market could recover, starting around the middle of the current year. Against this background, Bucher Hydraulics is expecting 2014 to bring a slight increase in sales and a further improvement in operating profit.

Division management

Daniel Waller,
Division president

Peter Minder,
Finance and controlling

Uwe Kronmüller,
Bucher Hydraulics Germany

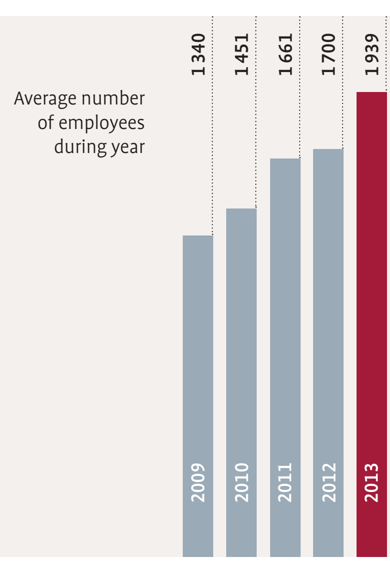
Aurelio Lemos,
Bucher Hydraulics Switzerland

Luca Bergonzini,
Bucher Hydraulics Italy

Dan Vaughan,
Bucher Hydraulics North America

Michael Leung,
Bucher Hydraulics China

At 6 March 2014



Bucher Emhart Glass

Benefitting from expert know-how in practice

Our customers need to produce glass containers efficiently and to consistently high quality standards. For that they have to be able to count on precise, reliable machinery with perfectly tuned production processes. This is where our team of production specialists comes in. They analyse the customer's production, detailing the challenges, requirements and goals, and work to develop a specific production plan and training programme, drawing on the expertise of the division's own research centre. Customers benefit from the open dialogue and expert know-how. The personal contact with our specialists also provides customers with an opportunity to discuss directly their other production requirements – and gain further valuable know-how.

Expert knowledge serves best when it is easy to apply. Close contact with the production specialists at Bucher Emhart Glass provides the framework for the necessary interchange.


BUCHER
emhart glass
BUCHER
emhart glass

Bucher Emhart Glass

Activities Bucher Emhart Glass is the world's leading supplier of advanced technologies for manufacturing and inspecting glass containers. Its portfolio encompasses glass-forming and inspection machinery, systems, components, spare parts, advice and services for the glass container industry. Bucher Emhart Glass is headquartered in Switzerland; its manufacturing facilities are located in Sweden, the USA, China and Malaysia. The research and development centre is in the USA.

Highlights The business with machinery for manufacturing glass containers and inspection picked up in the second half. Thanks to good capacity utilization at customers' production plants, the spare parts business remained stable at a high level. Order intake was 5% above the previous year's figure. As expected, sales were lower year on year, coming in 5% below the 2012 figure, which was boosted by a major order from India worth CHF 19 million. Efforts to realign the division brought a first improvement in the operating profit margin, which increased to 4.8%. Bucher Emhart Glass accounted for 13% of Group sales (2012: 14%).

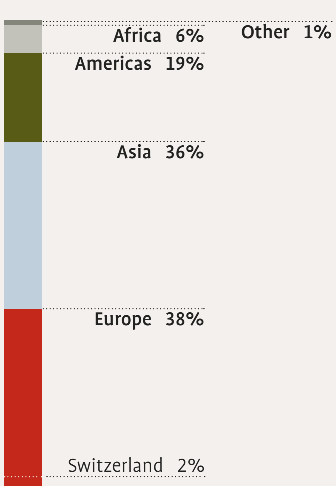
Key figures

CHF million			change in	
	2013	**2012**	**%**	**%[2)]**
Order intake	354.1	338.7	4.5	2.7
Net sales	346.6	366.5	−5.4	−7.1
Order book	118.7	109.3	8.6	6.7
Operating profit (EBITDA) before restructuring costs[1)]	28.5	21.0	35.7	
As % of net sales	8.2%	5.7%		
Operating profit (EBITDA)[1)]	28.5	12.4	129.8	
As % of net sales	8.2%	3.4%		
Operating profit (EBIT)[1)]	16.7	1.0	n.a.	
As % of net sales	4.8%	0.3%		
Number of employees at 31 December	1 864	2 027	−8.0	
Average number of employees during year	1 913	2 074	−7.8	

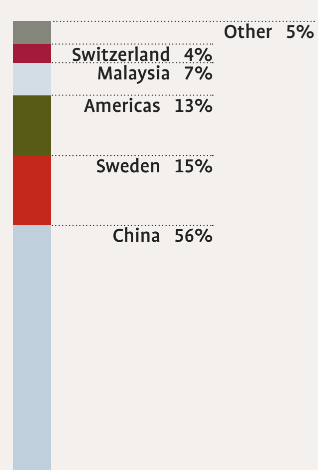
[1)] 2012: retrospective restatement owing to first application of IAS 19 "Employee benefits (revised)".
[2)] Adjusted for currency effects.

Geographical analysis

Net sales



Number of employees



Market trends The development of business at Bucher Emhart Glass was subdued in the first half of the reporting year, but in project business with machinery for manufacturing glass containers and inspection machinery demand picked up in the second half. While investment confidence in Europe and America was at a normal level, customers in Asia generally embarked on fewer major projects. The Chinese market suffered a sharp drop which can be attributed to the new government's measures aimed at dampening economic growth and curbing alcohol consumption.

Business performance In this market environment, Bucher Emhart Glass took advantage of its worldwide presence and substantially increased its order intake, a result achieved thanks to the stable project business in Europe and North America and major orders for inspection machinery. With 36% of sales generated in Asia, Bucher Emhart Glass felt the impact of the sharp decline in the Chinese market. As expected, overall sales were lower than the 2012 figure, which was influenced by a large order from India worth CHF 19 million. Thanks to an ongoing programme of measures to realign the division, first announced and initiated in November 2012, the operating profit margin increased substantially, despite the slump in China. Preparations for the collaboration with Owens-Illinois (O-I), which will see Bucher Emhart Glass supplying all O-I production plants worldwide with glass-forming machinery and spare parts, made good progress. The collaboration had little impact on sales in the reporting year. The cumulative effect of these far-reaching projects placed a considerable burden on all levels of the organisation, leading to unavoidable delays in the realignment project. However, the delays will not put the target for cost savings for the 2015 business year at risk.

Realignment well advanced In 2012, Bucher Emhart Glass announced a comprehensive realignment to leverage the division's worldwide presence. The primary goals of the realignment concern the division's focus on changing market requirements across different regions and segments. Key elements of the project are the reconfiguration of production capacities for glass-forming machinery in Sweden and inspection machinery in the USA, with a related expansion of capacity in Malaysia. In addition, a new international parts and service organisation was created and more purchasing was transacted in Asia. The realignment aims to achieve annual financial savings of EUR 25 million, which will take effect over time and become fully effective in the course of 2015.

The centre for worldwide distribution of spare parts in Sundsvall, Sweden, was outsourced to a logistics specialist with a global presence. Initially, this company is operating a centrally located facility in Europe, with facilities in the USA and Asia to be added in a second stage. The complex task of outsourcing the many different individual components and parts involved was successfully completed. The central warehouse for Europe is located in Luxembourg, with ideal connections to the road network, as well as air freight routes and waterways. This

brings the service closer to customers and increases the availability of spare parts. Processing of customer orders, technical support and administration will continue to be provided by Bucher Emhart Glass. The new central storage facility in Europe started operations in October of last year.

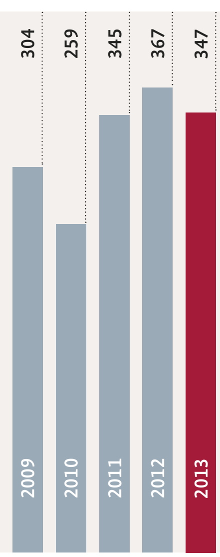
As part of the realignment project, Bucher Emhart Glass launched a new brand identity. The new logo and the "Bucher Emhart Glass" brand create confidence and strengthen the division's affiliation with the Bucher Group during the period of realignment.

Cooperation with Owens-Illinois In the reporting year, Bucher Emhart Glass and Owens-Illinois (O-I) signed an agreement that will see the Bucher division, as preferred supplier, providing the 79 O-I glass plants worldwide with glass-forming machinery and spare parts. The cooperation agreement entered into force in September of the reporting year. To realise the complex and challenging cooperation project, Bucher Emhart Glass set up a special team which will be responsible for purchasing, inventory and supply chain management for the more than 30 000 parts and components that O-I has taken on board. The cooperation with the world's biggest manufacturer of glass containers, a new venture for the whole organisation, got off to a good start thanks to rapid training of new employees and the division's existing IT infrastructure.

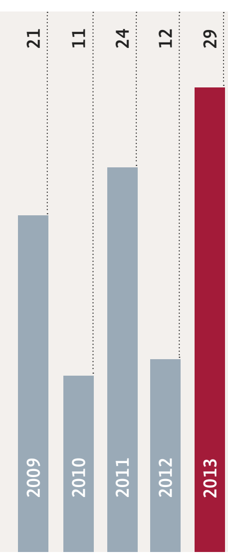
Tempered glass The new facility for tempering glass containers, using a process developed by Bucher Emhart Glass, was installed at Vetropack's Austrian plant in Pöchlarn, and the first test batches of glass containers to be thermally tempered in an industrial process were produced in the second half of the year. The market launch, with a limited number of tempered glass containers, is planned for the second quarter of 2014, but this is contingent on the outcome of the complex validation process to ensure the quality of the containers produced. This world first for the glass container industry makes it possible to produce either much stronger or much lighter glass containers, or a combination of both factors. It also reduces the consumption of materials and energy. Test results from the Pöchlarn factory confirm the industrial feasibility of the process.

Product innovation A customer in South Africa, working with specialists from Bucher Emhart Glass, installed the first newly developed BIS glass-forming machine. Thanks to this teamwork, they succeeded in fully utilising the performance potential of the machine. The glass-forming system features a simplified operating system, higher throughput and productivity, and a new safety concept. It can handle a wide spectrum of shapes, sizes and weights of glass containers, offering customers an extremely efficient production process. On the occasion of a tour of inspection and demonstration at the plant, attended by more than 30 customers from around the world, the new installation aroused great interest on the part of the visitors. The commercial launch of the

Net sales
CHF million



Operating
profit (EBITDA)
CHF million



servoelectrically powered BIS glass-forming machine is scheduled for the first half of 2014.

Outlook for 2014 Bucher Emhart Glass expects the market environment in the current year to be comparable with that of 2013. The persistent restraint on demand in Asia should be offset by an upturn in Europe and America. The key parts and service business should prove a strong anchor alongside the more volatile business with new machinery. The division also expects fresh impetus from the cooperation with O-I. Demand in the glass-forming machinery segment should hold up well, but inspection machinery is likely to show a slight downturn owing to the extremely strong performance of the previous year. Accordingly, Bucher Emhart Glass is expecting a modest increase in sales and a further improvement in operating profit for 2014 as a whole.

Division management

Martin Jetter,
Division president

William Grüninger,
Special projects

Mike Curry,
Inspection business

Matthias Kümmerle,
Technology

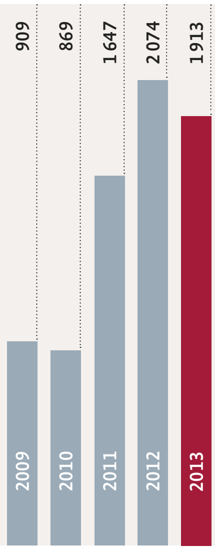
Edward Munz,
Logistics and manufacturing

Werner Gessner,
Sales and marketing, after-sales service

Ngiap Lin Wong,
Finance and controlling

At 6 March 2014

Average number of employees during year



Bucher Specials

Activities Bucher Specials comprises machinery and equipment for winemaking (Bucher Vaslin), systems and machinery for processing fruit juice, beer and instant products, and for dewatering sewage sludge (Bucher Unipektin), a Swiss distributorship for tractors and specialised agricultural machinery (Bucher Landtechnik) as well as control systems for automation technology (Jetter).

Highlights In the reporting year, Bucher Specials benefitted overall from an upbeat mood in the markets. In Bucher Vaslin's business with winemaking equipment, demand in Europe picked up in the second half of the reporting year, particularly in France, the main market. In the USA, demand was at a good level. Bucher Vaslin streamlined the administrative parts of its organisation to counter the strong competitive pressure in Europe. In the business with production equipment for fruit juice, Bucher Unipektin benefitted from a good harvest, low inventories and attractive prices for apple juice concentrate. In equipment for dewatering sewage sludge, sales exceeded CHF 10 million for the first time. Bucher Filtrox Systems, acquired at the beginning of the reporting year, developed well, and demand for beer filtration systems remained brisk. The Swiss distributorship for tractors and agricultural machinery took advantage of the positive market environment and the investment confidence of Swiss farmers. Jetter's automation technology, which the Group acquired in November of the reporting year, did not contribute significantly to the business performance of Bucher Specials. Overall, the division achieved a marked increase in sales and operating profit. On 1 January 2014, Stefan Düring took over as head of the Bucher Specials division and became a member of group management. He will also continue to serve as head of group development. Bucher Specials accounted for 8% of Group sales (2012: 8%).

Bucher acquired Jetter AG, Ludwigsburg, Germany, which specialises in control systems for automation technology, through a public tender offer. On 31 December 2013, Bucher held 77.35% of the shares in Jetter AG. With 240 employees, Jetter generated sales of CHF 37 million from April to December 2013. Since November 2013, the company has been consolidated under Bucher Specials.

Key Figures

CHF million			change in		
	2013	**2012**	**%**	**%[2]**	**%[3]**
Order intake	257.1	202.0	27.3	26.9	12.4
Net sales	244.0	205.8	18.6	18.0	4.3
Order book	76.2	46.0	65.7	64.8	26.9
Operating profit (EBITDA)[1]	29.1	19.7	47.7		
As % of net sales	11.9%	9.6%			
Operating profit (EBIT)[1]	24.4	16.6	47.0		
As % of net sales	10.0%	8.1%			
Number of employees at 31 December	785	506	55.1		2.0
Average number of employees during year	631	510	23.7		8.0

1) 2012: retrospective restatement owing to first application of IAS 19 "Employee benefits (revised)".
2) Adjusted for currency effects.
3) Adjusted for currency and acquisition effects.

Outlook for 2014 Modest growth is expected in the winemaking equipment segment. The favourable market conditions in equipment for fruit juice production could stabilise with demand at a high level. The business with equipment for dewatering sewage sludge should grow thanks to some major projects. The Swiss agricultural machinery market expects sales at the same high level as in the previous year. The newly integrated automation technology segment expects slight growth compared with the previous calendar year. Boosted by the whole-year consolidation of Jetter and modest organic growth in the existing segments, Bucher Specials expects strong sales growth, with operating profit in the same range as the previous year.

Division management

Stefan Düring,
Division president

Bruno Estienne,
Bucher Vaslin

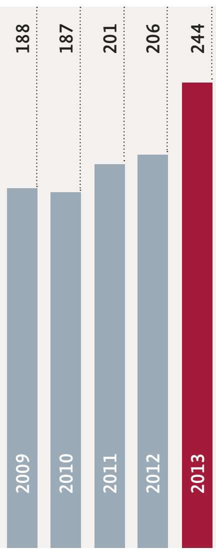
Hartmut Haverland,
Bucher Unipektin

Jürg Minger,
Bucher Landtechnik

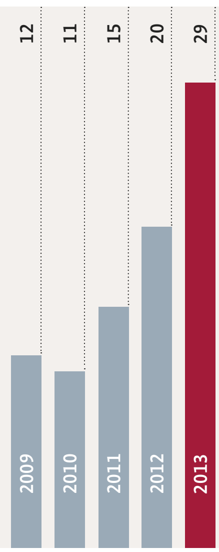
Christian Benz,
Jetter

At 6 March 2014

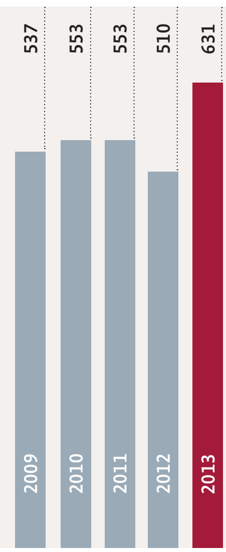
Net sales
CHF million



Operating profit (EBITDA)
CHF million



Average number of employees during year



Bucher Vaslin

Strong competitive pressure The market for winemaking equipment remained stable overall during 2013. The business environment generally was characterised by strong competitive pressure, particularly in the major wine-producing countries, France, Italy and Spain. Competition, primarily from local manufacturers of wine presses, grape reception equipment and filtration systems, was very intense and led to the Italian manufacturer Velo being declared bankrupt. Demand in North America developed well. There was a delay of about three weeks in the vegetative cycle because of the cold and rainy spring, but it recovered somewhat thanks to improved weather in the summer.

Business performance Despite this difficult, highly competitive market environment, Bucher Vaslin was able to increase the order intake through the strength of its innovation. However, sales remained stable at the same level as in the last two years. The winemaking industry in China is gaining in importance. Bucher Vaslin benefitted from rising demand in this market by means of targeted sales promotion measures. In the reporting year, Bucher Vaslin continued to focus on increasing efficiency and optimising costs. Measures to streamline the administrative parts of the organisation led to an improvement in profitability.

Product innovation In the reporting year, Bucher Vaslin added a highly efficient mechanical grape-sorting system to its product range. The innovative new system has an hourly throughput of up to 15 tonnes. This unrivalled capacity meets the needs of most large and medium-sized wine producers. The sorting system is user-friendly and reduces the quantity of water required for cleaning. Thanks to its simple design, the machine has an excellent price/performance ratio. Along with the Delta Oscillys destemmer, which received two awards in the reporting year, Bucher Vaslin now offers customers a wide range of equipment for grape reception.

Delta Oscillys destemmer

Bucher Unipektin

Lively market environment Bucher Unipektin reported good demand in its markets. The traditional business with machinery and systems for the production of fruit juice developed very positively. It was boosted by a good harvest, low inventories and attractive prices for apple juice concentrate. The business with equipment for dewatering sewage sludge progressed well, following a difficult year in 2012. The inherently variable project business was subject to fluctuations. The parts and service business grew thanks to the good level of capacity utilisation at customers' plants.

Business performance Bucher Unipektin took advantage of the positive mood in the markets, achieving pleasing growth in order intake. The acquisition of Bucher Filtrox Systems was a major contributor to this upturn. Sales and operating profit were also higher. Sales of technologies used in dewatering sludge exceeded CHF 10 million for the first time. The integration of the Filtrox Group's engineering business progressed smoothly and should be completed by mid-2014. At the Drinktec trade fair in Munich, the Filtrox beer filtration system with ceramic membranes was unveiled and aroused great interest on the part of customers. The subsidiary in Eschenz, Switzerland, was closed down at the end of the year, and the activities and personnel were transferred to the Niederweningen site, where a new building was constructed to house additional assembly and logistics installations. Capacity expansion progressed rapidly and should be completed by mid-2014. In another move to improve efficiency, the engineering and assembly activities of Bucher Alimentech in Auckland, New Zealand, were concentrated in Niederweningen as well. The site in Auckland was transformed into a sales and service centre in mid-2013.

New sludge press Engineering In the reporting year, the production programme for Bucher's high-pressure presses for dewatering sewage sludge was extended by the addition of a fourth size category: 12 m^3. This bigger capacity corresponds to the needs of wastewater treatment works in larger cities and towns with over 150 000 inhabitants. The prototype was tested at a sewage works for several months, working in parallel with conventional chamber filter presses. The test results confirmed the expected outstanding performance of the unit. In view of the much improved price/performance ratio of the larger press, it has sparked a good deal of interest, and the market launch is planned for the current year.


Fruit juice press

Bucher Landtechnik

Market environment Bucher Landtechnik, the Swiss distributorship for tractors and agricultural machinery, made good progress at a pleasingly high level. The cold spring and late start of summer resulted in lower harvest yields and a fall in income for farmers, but this had no noticeable impact on Bucher Landtechnik's business in the reporting year.

Business performance Despite the adverse weather conditions, Bucher Landtechnik was able to make good use of the positive market environment, posting a gratifying improvement in order intake. Overall, 2 386 tractors were registered in Switzerland in 2013, somewhat lower than in the previous year, which was particularly strong. Sales increased again, largely thanks to good business with Kuhn agricultural machinery, imported tractors from New Holland, Case IH and Steyr, and loaders from Weidemann. The distributorship benefitted overall from its broad range of products geared to the needs of Swiss farmers, a highly professional and reliable sales organisation and an efficient spare parts service.

In close touch with farmers Bucher Landtechnik and the Swiss farming industry have been very closely connected for many years. The majority of the employees have backgrounds in the industry, so they are familiar with farmers' requirements. As it does every autumn, Bucher Landtechnik, working with regional dealers, organised field days for farmers, showcasing the brands in its range: New Holland, Case IH, Steyr, Kuhn and Weidemann. The dealers provide the facilities, while Bucher Landtechnik makes the arrangements for expert speakers and additional machinery and new products. In the reporting year, a "Kuhn Feedliner Tour" visited twelve locations from Lake Geneva to Graubünden. The team presented the latest feed technology, with a range of feed mixers, shredders and littering equipment, as well as new Kuhn developments for haymaking and tillage. In addition to the presentation of machinery and equipment, expert speakers addressed special topics, in particular questions relating to the feeding of specific types of stock. Bucher Landtechnik supports dealers in their important role of providing advice to farmers on the most economic and efficient use of tractors.

Jetter

Activities Jetter has specialised in automation technology for 30 years. In the area of industrial automation, the control systems developed, manufactured and sold by Jetter are used in machinery and systems engineering as well as in process technology. In the mobile automation segment, the control systems are found in processing machines and commercial vehicles. Automation systems combine the functions of control, drive, operation, visualisation and networking in a finely tuned and optimally coordinated solution.

Acquisition In the reporting year, Bucher Industries launched a public tender offer to all Jetter AG shareholders. As of 31 December 2013, the Group held 77.35% of the Jetter shares. The company has been a key partner of Bucher Emhart Glass since 2002, making electronic control units for glass-forming and inspection machinery used in the manufacture of glass containers. Since 2007, it has also supplied electronic components for Bucher Municipal's new municipal vehicles. Over the last two years, Jetter has generated on average about 50% of its turnover with the Bucher Group, the largest part with Bucher Emhart Glass. Since 1 November 2013, Jetter has been consolidated in the Bucher Group and became part of the Bucher Specials division.

As an industrial partner with a long-term focus, Bucher Industries will support Jetter with the know-how and financial resources it needs to increase operating efficiency and profitability, further develop the high level of technological expertise it already possesses, and strengthen the market position with its other customers. Jetter's customer base will also be diversified through access to other parts of the Bucher Group and third-party customers. By strengthening its market position with customers in the field of electronic automation, Jetter will be able to prove its competitiveness on an ongoing basis. The company founder, Martin Jetter, has declared his willingness to continue his commitment to the development of the business, contributing his in-depth knowledge and years of experience in the area of automation technology. Responsibility for management and results will remain with Jetter's Supervisory Board and Executive Board.

Individual and system solutions for mobile automation

Group management

Daniel Waller
Bucher Hydraulics

Martin Jetter
Bucher Emhart Glass

Jean-Pierre Bernheim
Bucher Vaslin

Michael Häusermann
Bucher Municipal

Philip Mosimann
Chief Executive Officer

Michel Siebert
Kuhn Group

Roger Baillod
Chief Financial Officer

Corporate Governance

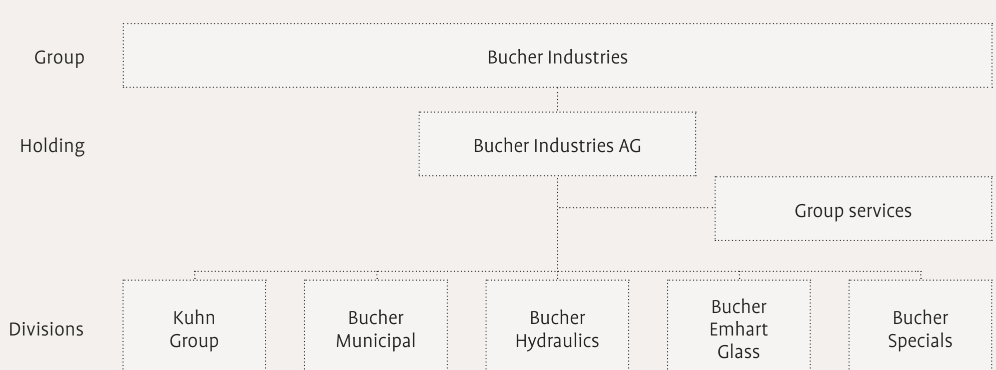
This report complies with the SIX Swiss Exchange Corporate Governance Directive effective on 31 December 2013, where applicable to Bucher Industries. Unless otherwise stated, the information presented reflects the situation on 31 December 2013.

Group structure and shareholders

Operational group structure at 1 January 2014 The Bucher Industries Group is organised in five divisions. The divisions comprise: 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, and for dewatering sewage sludge, a Swiss distributorship for tractors and agricultural machinery, and control systems for automation technology (Bucher Specials). At Group level, a corporate centre provides finance and controlling, group development, legal and communications functions to support the Group and its companies in their activities. The Group's operational structure is shown in the chart below and detailed segment information is presented in the notes to the consolidated financial statements on pages 82 to 85 of this annual report.

Group companies and consolidation Bucher Industries AG incorporated in Niederweningen, Switzerland, is the Group's holding company. Its registered shares are listed on the main board of the SIX Swiss Exchange and also traded on the over-the-counter markets of the Frankfurt, Stuttgart, Berlin and Xetra exchanges. Details are given in the information for investors section on pages 8 and 9 of this annual report. The consolidation includes all group companies owned directly or indirectly by the holding company. The principal Group companies are listed on pages 121 to 123 of this annual report. Jetter AG in Ludwigsburg, Germany, is the only company listed on a stock exchange.

Shareholders The registered shares are widely held by public shareholders. A group of shareholders organised under a shareholders' agreement, represented by Rudolf Hauser, Zurich, holds a total of 35.16% 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. According to the information available to Bucher Industries AG and disclosure notifications submitted to the SIX Swiss Exchange platform on 13 August 2013 and 5 July 2011 respectively, Norges Bank, Bankplassen 2, 0107 Oslo, Norway, and Black Rock Inc., 40 East 52nd Street, New York, 10022, USA, hold, directly or indirectly via various subsidiaries, a stake in the registered share capital of Bucher Industries AG of more than 3%. This and



earlier notifications can be viewed via the following link: www.six-swiss-exchange.com/shares/companies/major_shareholders_en.html?fromDate=19980101. At the reporting date, the board of Bucher Industries AG is not aware of any other shareholders entered in the share register and with voting rights, or groups of shareholders subject to voting agreements, who hold more than 3% of the issued share capital.

There are no cross-shareholdings between Bucher Industries AG and other companies.

Capital structure

Capital The issued share capital of Bucher Industries AG is CHF 2 050 000, divided into 10 250 000 registered shares with a par value of CHF 0.20 each. Bucher Industries AG has conditional, authorised but unissued capital up to a maximum of CHF 236 820. There is no additional authorised capital.

Conditional authorised but unissued capital The share capital of Bucher Industries AG may be increased by a maximum of CHF 236 820 through the issuance of up to 1 184 100 registered shares with a par value of CHF 0.20 each. The conditional authorised but unissued capital is reserved for the exercise of warrants or conversion rights attached to bonds and of rights issued to shareholders. Shareholders have no pre-emption rights. Holders of warrants, options or conversion rights are entitled to subscribe for new shares. No such rights are outstanding at present. Warrant or conversion terms are determined by the board of directors. The board is authorised to disapply shareholders' pre-emption rights for good cause, as provided in art. 653c par. 2 of the Swiss Code of Obligations. In such cases, the board is responsible for specifying the structure, life and amount of the issue as well as the warrant or conversion terms according to market conditions at the time of issue.

Changes in capital Until 26 June 2012, the issued share capital of Bucher Industries AG was CHF 2 113 180. The capital reduction by CHF 63 180, approved by the annual general meeting on 12 April 2012, was duly carried out on 27 June 2012 by means of the cancellation of 315 900 shares, corresponding to 2.99% of the share capital. The share capital of Bucher Industries AG now stands at CHF 2 050 000. Apart from that, there were no changes in capital in the last three reporting years.

Shares Bucher Industries AG has an issued share capital of CHF 2 050 000, divided into 10 250 000 registered shares with a par value of CHF 0.20 each. All shares are fully paid-up and rank for dividend. Each share carries one vote at general meetings of shareholders. Bucher Industries AG has not issued any participation or profit-sharing certificates.

Restrictions on transferability The company's registered shares are not subject to any restrictions on ownership or transferability. Pursuant to the articles of association of Bucher Industries, the board has established principles for the registration of nominees. Persons who do not expressly state in the application for registration that the shares are held for their own account (hereinafter "nominees") will be recorded in the share register as shareholders with voting rights up to a maximum of 2% of the share capital then outstanding, provided that such persons have previously entered into a nominee agreement with Bucher Industries AG. If the 2% threshold is exceeded, registered shares held by nominees will be entered with voting rights only if the nominee agrees in writing to disclose the names, addresses and shareholdings of the persons for whose account the nominee holds 0.5% or more of the share capital then outstanding. The 2% threshold also applies to nominees who are affiliated by capital or votes, through common management or otherwise.

Convertible bonds and share options Bucher Industries AG has no outstanding convertible bonds. Share options granted to members of the group management, division and segment management and selected specialists under the share option plan are shown on page 111 of this annual report. The shares required to meet awards were acquired from the portfolio of Bucher Beteiligungs-Stiftung.

Board of directors

Members

Rolf Broglie **1947**, Swiss citizen, industrialist; member of the board since **1996** and chairman since **2011** ▸ Since **2011** Prografica AG, Glattbrugg, chairman of the board ▸ since **2009** Chromos AG, Glattbrugg, chairman of the board ▸ **1995** Prografica AG, executive director and chief executive officer ▸ **1985** Chromos AG, Glattbrugg, managing director ▸ **1972** Chromos AG, Glattbrugg ▸ No other appointments or commitments.

Anita Hauser **1969**, Swiss citizen, degree in public affairs (lic.rer.publ.) from HSG University of St. Gallen, MBA INSEAD, Fontainebleau; member of the board since **2007** ▸ Since **2012** Magenta Management AG, Zurich, managing director ▸ **2010** EF Education First AG, Lucerne, marketing director ▸ **2005** EF Education AG, Zurich, country manager ▸ **2000** Lindt & Sprüngli (International) AG, Kilchberg, international marketing manager ▸ **1993 – 1998** Unilever, Zug and Milan, European brand manager ▸ No other appointments or commitments.

Ernst Bärtschi **1952**, Swiss citizen, degree in economics (lic. oec.) from HSG University of St. Gallen; member of the board since **2005** ▸ **2005 – 2011** Sika AG, Baar, chief executive officer ▸ **2002** Sika AG, Baar, chief financial officer ▸ **1997** Schindler Group, chief financial officer ▸ **1994** Schindler Aufzüge AG, managing director ▸ **1980** Schindler Management AG ▸ **Other appointment** Member of the board of CRH plc, Dublin, Ireland.

Claude R. Cornaz **1961**, Swiss citizen, degree in mechanical engineering (dipl. Ing.) from Swiss Federal Institute of Technology (ETH) Zurich; member of the board since **2002** ▸ Since **2000** Vetropack Holding AG, Bülach, delegate of the board and chief executive officer ▸ **1993** Vetropack Holding AG, Bülach ▸ **1989** Nestec SA, Vevey ▸ **1987** Contraves AG, Zurich ▸ **Other appointments** Deputy chairman of H. Goessler AG, Zurich ▸ Member of the board of Glas Trösch Holding AG, Bützberg.

Michael Hauser **1972**, Swiss citizen, degree in mechanical engineering (dipl. Ing.) from Swiss Federal Institute of Technology (ETH) Zurich, MBA INSEAD, Singapore/Fontainebleau; member of the board since **2011** ▸ Since **2013** buico GmbH, Austria, managing director ▸ **2009 – 2011** Strabag Energietechnik, managing director ▸ **2006** hs energieanlagen, Germany, member of management ▸ **2003** Alstom/ABB, head of commissioning gas turbine power stations ▸ **1998** Alstom/ABB, commissioning of gas turbines ▸ No other appointments or commitments.

Heinrich Spoerry **1951,** Swiss citizen, degree in economics (lic.oec.) from HSG University of St. Gallen; member of the board since **2006** ▸ Since **1998** SFS Group, Heerbrugg, chairman and chief executive officer ▸ **1987** Stäfa Control System AG, Cerberus AG, Männedorf, member of the management ▸ **1981** SFS Group, Heerbrugg, head of management services ▸ **1979** Boston Consulting Group, Munich ▸ **Other appointments** Chairman of Mikron AG, Biel ▸ Member of the board of Frutiger AG, Thun.

Independence All directors are non-executive and independent, i. e. they do not perform any operational functions, have not been members of the management of Bucher Industries within the last three years and have no material business relationship with the Group.

Elections and terms of office In the reporting year directors were elected individually for staggered three-year terms. They are required to retire no later than at the first annual general meeting of shareholders after reaching the age of 70. The articles of association place no other restrictions on tenure. Rolf Broglie and Anita Hauser were re-elected to the board last year. The board elected Rolf Broglie as chairman and Anita Hauser as deputy chairman to serve from the annual general meeting on 11 April 2013.

Internal organisation The board determines the strategic direction and oversees the management of the company as provided in the Swiss Code of Obligations, in the articles of association and internal rules of organisation, an abridged version of which is available at http://www.bucherindustries.com/html/en/6621.html. It meets as often as business requires, holding at least six scheduled meetings each year, which generally take place every two months. The meetings are usually attended by the CEO, the CFO and by other members of group management, members of division and segment management or specialists, depending on the items on the agenda. The secretary to the board takes minutes of the proceedings and resolutions. The meetings usually last one day; the annual strategy meeting lasts two days. Six board meetings and one conference call were held in the reporting year. All the meetings in the reporting year were attended by all board members, the CEO and the CFO.

Committees To assist with its responsibilities, the board of directors had an audit committee and a human resources committee appointed from among its members. The roles and responsibilities of the audit and human resources committees are described below and are published in the condensed version of the rules of organisation on the company's website at http://www.bucherindustries.com/html/en/node/6621.html. The committees report to the board of directors on their activities, results and proposals. The board has overall responsibility for the duties assigned to the committees. Committee members hold office on an annual basis from one annual general meeting until the next annual general meeting. Proceedings and resolutions of committee meetings are recorded in minutes.

Audit committee On 11 April 2013, the composition of the audit committee was confirmed as follows: Ernst Bärtschi, chairman, Michael Hauser and Heinrich Spoerry. All of its members are non-executive and independent. The audit committee holds at least three meetings a year, each usually lasting half a day. The chairman of the board, CEO and CFO attend the meetings in an advisory capacity. Depending on the items on the agenda, the internal or external auditors, members of group management, members of division and segment managements or specialists are consulted. The committee met five times last year, one of the meetings lasting one hour. The members of the audit committee, the CEO and CFO were present at all the meetings. The meetings focused on the following scheduled duties. The audit committee prepares a comprehensive and effective audit programme for the Group and oversees its implementation. It determines key areas of the audit plan for the external and internal audits, receives reports from the auditors and appoints the head of the internal audit function, who reports to the chairman of the audit committee. For a preliminary decision, the audit committee evaluates the independence and performance of the auditors and finally determines the level of their remuneration. The audit committee's role includes preparing the board's proposal for the appointment of the auditors, reviewing the organisation of the accounting system, ensuring the Group's financial controls and financial planning and reviewing the plans, budgets and financial statements of the Group and its group companies, including individual projects involving significant commitment of capital. In the reporting year, the external audit plan focused on in-depth assessment of internal controls in the areas of purchasing, investment and human resources. The key areas of the internal audit plan were verification and evaluation of the processes in place and the efficiency of the internal control system at the four largest Group companies.

Name	Year	Position	Appointed	Term expires	Committees	
Board of directors					**Audit**	**Human resources**
Rolf Broglie	1947	chairman	1996	2016		×
Anita Hauser	1969	deputy chairman	2007	2016		×
Ernst Bärtschi	1952		2005	2014	×	
Claude R. Cornaz	1961		2002	2015		×
Michael Hauser	1972		2011	2014	×	
Heinrich Spoerry	1951		2006	2015	×	

All directors are non-executive and independent.

Human resources committee On 11 April 2013, the composition of the human resources committee was confirmed as follows: Since the annual general meeting held on 14 April 2011, the human resources committee has been composed of Rolf Broglie, chairman, Claude Cornaz and Anita Hauser. The human resources committee holds at least one meeting each year, usually lasting for several hours. The CEO attends the meetings in an advisory capacity, except when his own remuneration is being determined. Four meetings were held last year. These focused on selecting a candidate for membership of the board of directors, selecting two new members of group management, reviewing the remuneration of the members of group management, as well as the scheduled duties described in the following. The human resources committee makes proposals to the board regarding the Group's remuneration policy for directors and members of the group management. It submits a proposal to the board for the annual remuneration of directors and the CEO, determines the remuneration of the other group management members and takes note of the remuneration of division and segment management members. In addition, it prepares the medium- and long-term succession planning for directors and group management members. It proposes a policy to the board concerning for the selection of candidates for appointment as directors and members of the group management and prepares the selection applying these criteria.

Authority and responsibility The board has delegated the Group's operational management to the CEO and group management members. Their authority and responsibilities are set out in the internal rules of organisation. An abridged version of the rules of organisation is available as a PDF document on the Bucher Industries website at http://www.bucherindustries.com/html/en/6621.html. The board oversees the operational management.

Information and control systems relating to group management As part of the management information system, the board receives monthly key figures, consolidated financial statements and management comments from group management, providing information on operational performance and performance indicators within the Group, divisions, segments and major group companies. At each meeting, the board is also informed about the course of business, important projects and risks. Once a year, it conducts an indepth assessment of the Group's risk situation on the basis of a risk report prepared under the direction of the CEO, with the participation of members of group management and group services. Written proposals are prepared under the direction of the CEO for any major projects requiring a board decision. In addition to the chairman, one member of the board can attend each of the annual divisional strategy reviews in order to gain greater insight into the business. In the reporting year, the chairman of the board took part in four strategy meetings, accompanied by a further member of the board on each occasion. The board of directors is also supported in its supervisory and control function by internal audit and the external auditors. Internal audit carries out audits in the Group in accordance with the audit concept proposed by the audit committee and determined by the board. The chairman of the audit committee agrees the audit programme with the chairman of the board. Responsibility for coordinating and implementing audits is delegated to the CFO. The internal audit work is contracted out externally. The head of internal audit function reports to the chairman of the audit committee. The internal audit function reports the results of its audits to the audit committee at a minimum of one meeting each year. In the year under review, two meeting took place with the internal auditors.

Group management

Members at 1 January 2014

Philip Mosimann **1954,** Swiss citizen, master degree in mechanical engineering (dipl. Ing.) from Swiss Federal Institute of Technology (ETH) Zurich; since **2002** chief executive officer and **2001** chief executive officer designate ▸ **1997** Sulzer AG, Winterthur, division president of Sulzer Textil ▸ **1993** Sulzer AG, Winterthur, division president of Sulzer Thermtec ▸ **1980** Sulzer Innotec AG, Winterthur ▸ **Other appointments** Member of the board of Conzzeta AG, Zurich ▸ Member of the board of Uster Technologies AG, Uster.

Roger Baillod **1958,** Swiss citizen, degree in business economics from FH Olten, certified public accountant Kammerschule Zurich; since **1996** chief financial officer ▸ **1995** Benninger AG, Uzwil, head of corporate services ▸ **1993** Dietsche Holding AG, Zug, head of finance and accounting ▸ **1984** ATAG Ernst & Young AG, Zurich ▸ **Other appointment** Member of the board of Migros-Genossenschafts-Bund, Zurich.

Stefan Düring **1972,** Swiss citizen, degree in economics (lic. oec.) from HSG University of St. Gallen, certified public accountant Board of Accountancy, New Hampshire, chartered financial analyst Association for Investment Management and Research, Charlottesville; since **2014** president of Bucher Specials division and head of group development ▸ **2006** Head of group development and since ▸ **2010** responsible for Bucher Unipektin and Bucher Landtechnik ▸ **1998** PricewaterhouseCoopers, Zurich ▸ No other appointments or commitments.

Michael Häusermann **1960,** Swiss citizen, graduate of Business School, Zurich; since **2000** Bucher Municipal, division president ▸ **1988** Bucher-Guyer AG, head of Bucher Transport Technology, Rolba Kommunaltechnik AG and Bucher-Guyer AG Municipal Vehicles ▸ **1983** Kran + Hydraulik AG, Tagelswangen ▸ No other appointments or commitments.

Martin Jetter **1956,** German citizen, degree in engineering (dipl.Ing.) from University of Cooperative Education Stuttgart; since **2006** Emhart Glass SA, division president ▸ **2005** Emhart Glass SA ▸ **1980** Jetter AG, Ludwigsburg, chief executive officer ▸ **1978** Robert Bosch GmbH, Schwieberdingen ▸ **Other appointment** Jetter AG, Ludwigsburg, chief executive officer.

Michel Siebert **1949,** French citizen, degree from Institute of Business Administration Nancy; since **1999** Kuhn Group, division president ▸ **1979** Kuhn SA, head of sales and member of division management ▸ **1976** Charbonnages de France, Nancy ▸ No other appointments or commitments.

Daniel Waller **1960,** Swiss citizen, master degree in mechanical engineering (dipl.Ing.) from Swiss Federal Institute of Technology (ETH) Zurich; since **2004** Bucher Hydraulics division president ▸ **1999** Bucher Hydraulics AG Frutigen, managing director ▸ **1996** Carlo Gavazzi AG, Steinhausen ▸ **1987** Rittmeyer AG, Zug ▸ No other appointments or commitments.

Until 31 December 2013: Jean-Pierre Bernheim **1948,** French citizen, degree in mechanical engineering (dipl. Ing.) from Ecole des Mines, Paris, doctorate in engineering University of Marseille; since **2010** Bucher Vaslin SA, managing director ▸ **1998** Bucher Process, division president ▸ **1980** Bucher Vaslin SA, managing director ▸ **1977** Groupe Vallourec, Paris ▸ No other appointments or commitments.

Group services

Vanessa Ölz **1953,** Swiss citizen, degree in law (lic.iur.) from University of Zurich; since **2002** Bucher Industries AG, head of legal and communications, secretary to the board ▸ **1997** Sulzer Medica, Winterthur, secretary to the board ▸ **1989** Sulzer AG, Winterthur, legal counsel ▸ No other appointments or commitments.

Stefan Düring **1972,** Swiss citizen, degree in economics (lic. oec.) from HSG University of St. Gallen, certified public accountant Board of Accountancy, New Hampshire, chartered financial analyst Association for Investment Management and Research, Charlottesville; since **2006** Head of group development ▸ **Other appointments** or commitments see group management.

Management contracts Bucher Industries AG has not entered into any management contracts with third parties.

Remuneration, shareholdings and loans

These disclosures are presented in the remuneration report on pages 52 to 57 of this annual report.

Shareholders' participation rights

Voting rights and representation restrictions There are no restrictions on voting rights or proxy voting.

Required quorums Resolutions at general meetings of shareholders are passed by an absolute majority of the votes of the shares represented. At least two-thirds of the votes represented and an absolute majority of the par value of the shares represented are required for special resolutions as prescribed in art. 704 par. 1 of the Swiss Code of Obligations.

Convocation of the general meeting of shareholders There are no rules that differ from the law for the convocation of general meetings of shareholders. As provided in the articles of association, notice of a meeting is given to shareholders at least 20 days before the meeting. The notice convening the meeting sets out the agenda and resolutions to be proposed by the board and by shareholders who have requested an item to be added to the agenda. To be entitled to vote at a general meeting, shareholders must be registered in the share register three working days before the date of the meeting. Extraordinary general meetings are called as and when required, in particular in the cases provided by law. Shareholders representing at least one tenth of the share capital may at any time request that a meeting be convened, stating the business to be transacted and resolutions proposed.

Requests for additions to the agenda Shareholders representing shares with a combined par value of CHF 20 000 may request that an item be added to the agenda. Requests for additions to the agenda must be submitted at least six weeks before a general meeting of shareholders.

Obligation to make an offer and clauses on changes of control The annual general meeting of shareholders held on 26 April 2005 adopted an opting-up clause in the articles of association, requiring a purchaser of shares to make a public tender offer when reaching or crossing the threshold of 40% of the voting rights in accordance with art. 32 and 52 of the Federal Stock Exchange and Securities Trading Act. There are no change of control clauses benefiting directors or group management members.

Auditors

Duration of the engagement and lead audit partner's tenure PricewaterhouseCoopers AG, Zurich, or its predecessor companies, has served as statutory auditors of Bucher Industries AG since 1984. The lead audit partner, Christian Kessler, has been responsible for the audit engagement since 2013.

Audit fees and non-audit fees For last year, Bucher Industries was charged CHF 1 712 500 by PricewaterhouseCoopers and approximately CHF 540 600 by other auditors for services rendered in connection with the audit of the financial statements of Bucher Industries AG and its group companies and the audit of the consolidated financial statements of Bucher Industries. In addition, PricewaterhouseCoopers charged Bucher Industries a fee of approximately CHF 736 500 for non-audit services, comprising financial, tax and due diligence services.

Supervisory and control instruments pertaining to the audit The audit committee reviews the audit programme, key audit areas and audit plan every year and discusses the interim and closing audit findings and respective reports with the auditors. Every year, the audit committee subsequently assesses the performance, fees and independence of the auditors. In the year under review, the auditing priorities of larger group companies were purchasing, investment, human resources, general IT controls and verifying the implementation of the measures agreed. The audit committee held two meetings with the external auditors. The internal auditors did not attend one of these meetings.

Information policy

Bucher Industries publishes the results of operations in an annual report (including a financial, corporate governance and remuneration report) and an interim report. In July last year, the Group published a sustainability report in accordance with GRI principles and based on data covering 2011 and 2012. These publications are made available at the appropriate time on the company's website at http://www.bucherindustries.com/en/node/6622 and the invitation to the annual meeting of shareholders at http://www.bucherindustries.com/en/node/6636. Annual sales including order intake, order book and number of employees at the end of the first and third quarters of a financial year are published in press releases. The company holds an annual press conference and annual analyst conference to present full-year results and hosts a conference call to discuss first-half results. Significant events are announced in compliance with the directive on ad hoc publicity issued by the SIX Swiss Exchange. A calendar of forthcoming release dates scheduled for the current and next financial year is set out in the information for investors section on page 9 of this annual report. All news releases published over the past two years can be found at http://www.bucherindustries.com/en/media_messages_page and http://www.bucherindustries.com/en/download_center/publication, the contact address at http://www.bucherindustries.com/en/contact. The company's website at www.bucherindustries.com also provides a facility to subscribe free of charge to an e-mail service to receive press releases published by Bucher Industries.

Remuneration report

Remuneration, shareholdings and loans

Remuneration package Bucher Industries provides a remuneration package designed to align the interests of the directors and management with those of the Group, shareholders and other stakeholders. The individual remuneration components take account of the Group's sustainable short- and long-term business development. Directors are remunerated on a non-performance-related basis. Group management and senior management are rewarded for driving performance with performance-related remuneration. All performance-related remuneration components have a ceiling. As the objective is to attract and retain highly qualified executives and professionals, the remuneration package is focused on providing competitive remuneration with a fixed base salary and performance-related components paid in cash and in the form of interests in the company.

The contractual remuneration components for group management and senior management comprise a fixed base salary and variable performance-related remuneration paid both in cash and in shares under the Bucher share plans.

The annual financial targets for the variable performance-related components 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. Variable remuneration is paid in the spring following the board's approval of the financial statements for the reporting year. The remuneration of directors and group management is reported on an accrual basis. The remuneration packages for directors, group management and senior management, which are laid down in rules established by the board, are additionally benchmarked against available market data of similar listed companies within the European mechanical engineering industry every three to five years and revised by the board, if necessary, at the request of the CEO or human resources committee.

Base salary The fixed base salary of group management members is determined by reference to market benchmarks for the specific position in the country concerned, based on the level of individual responsibility and experience of the person concerned.

The remuneration package for members of group management did not change and is structured as follows:

	fix remuneration	variable remuneration					
	base salary	cash bonus		BEPP in shares		BPP in shares	
		target [1]	range	target [1]	range	target [1]	range
CEO	100%	50%	0–75%	50%	0–75%	10%	0–15%
Other members	100%	30%	0–45%	10%	0–15%	10%	0–15%

[1] 100% target achievement. All percentage numbers are based on base salary.

Cash bonus The cash bonus is a performance-related component of remuneration paid to the members of group management and the Group's senior management. Its amount depends on their base salary, the achievement of the annual financial targets set for the Group and divisions by the board of directors and the achievement of individual non-financial annual targets. The financial targets are weighted at 80% and individual targets at 20%. The individual annual targets are agreed between the chairman of the board and the CEO and between the CEO and each group management member. The cash bonus for full target achievement is 50% of base salary for the CEO and 30% of base salary for all other members of group management. The range of the cash bonus varies from 0 to a maximum of 1.5 times the value for full target achievement. The financial criteria used to determine the cash bonus of the CEO and CFO are the Group's "profit for the year" and its "net operating assets as a percentage of sales". For the other members of group management, the financial criteria are "operating profit (EBIT)" and "net operating assets as a percentage of sales" for their respective divisions.

Bucher Executive Share Plan The Bucher Executive Share Plan (BEPP) is a share-based, performance-related component of remuneration for the members of group management. The financial target for awarding shares is "earnings per share" and is 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 of shares are based on a percentage of base salary and depend on the achievement of the "earnings per share" financial target. The number of shares to be awarded is calculated using the average share price for the reporting year. Upon 100% target achievement, the applicable percentage is 50% of base salary for the CEO and 10% for the other group management members. The level of target achievement ranges from 0 to a maximum of 1.5 times the value for 100% target achievement. The shares awarded are restricted for three years.

Bucher Share Plan The Bucher Share Plan (BPP) is a share-based, performance-related component of remuneration for the members of group management, senior managers in the divisions and selected specialists. Group management and the employees may elect at the beginning of February each year to invest an amount equivalent to between 0% and a maximum of 10% of their base salary in the company's shares. If they choose to make an investment, it will be supplemented by the company. The amount of the company's investment depends on the achievement of the Group's annual financial "earnings per share" target set by the board of directors. Upon 100% target achievement, the company matches the employees' investments in company shares. The level of target achievement ranges from 0 to a maximum of 1.5 times the sum invested by the employee. The relevant number of shares is calculated using the average share price during the first three weeks of January in the financial year following the reporting year. The number of shares representing the employees' and company's investments is restricted for three years. Share options granted in respect of previous reporting years remain valid as originally provided and are shown in the table on page 111 of this annual report.

Termination benefits There are no systems for termination benefits, and none were paid during 2013. If employment is terminated for any reason other than termination by the employee or employer, the variable annual remuneration and awards under the Bucher Executive Share Plan will be paid on a pro rata basis after the board of directors has approved the financial statements for the year. Options granted under the share option plan may be exercised until the expiration of the option term. If employment is terminated by the employee or employer, all rights under the Bucher share plans will lapse. Exercisable options must be exercised within six months after termination of employment, after which they will be forfeited. For the CEO, the period of notice is twelve months; for the other members of group management, six to twelve months.

Responsibility The human resources committee prepares the Group's remuneration policy for directors and group management members. It makes recommendations to the board for the annual remuneration of directors and the CEO, as well as the annual financial targets for the variable performance-related remuneration components for group management and senior management, determines the remuneration of the other group management members and takes note of the remuneration of division management members and specialists. In the reporting year, the human resources committee held three meetings, which focused on reviewing the remuneration of the members of group management, succession planning for senior management and the regular duties described above. Specialist management consultants with international experience were engaged to determine the remuneration benchmarks.

Directors' remuneration Directors receive non-performance-related remuneration, which is proposed by the human resources committee and determined by the board of directors every year. Their remuneration consists of a base fee, a base salary for the chairman and cash allowances for service on committees and expenses. Half of the base fee is paid in cash and half in shares.

The remuneration components are determined annually. The base fee for the chairman was increased in the reporting year by CHF 30 000 to CHF 150 000. For the other board members the basic amount remained unchanged during the year at CHF 105 000 for the deputy chairman and CHF 90 000 for each of the other directors. The respective share awards were granted and valued at the average share price of CHF 226.00 (2012: CHF 173.50) for the reporting period. The shares awarded are subject to a three-year vesting period. The cash allowances paid to directors for service on committees and expenses remained unchanged during the year, as did the chairman's base salary of CHF 150 000. The remuneration paid to directors last year and their interests in shares at the end of the year are shown on pages 55 and 56 of this annual report.

Group management's remuneration Group management members receive a base salary commensurate with their responsibilities and experience, a performance-related cash bonus and shares under the Bucher share plans. Other benefits comprise a representation expense allowance and contributions to a voluntary pension plan. In addition, division presidents are provided with a middle class company car. The number of shares awarded under the Bucher Executive Share Plan was calculated using the average share price of CHF 226.00 (2012: CHF 173.50) for the year and those under the Bucher Share Plan using the average share price of CHF 226.00 (CHF 189.00) during the first three weeks of January 2013. The shares awarded under the Bucher share plans were valued at a share price of CHF 266.00 (CHF 189.00). Since 2010 the base salary of the CEO has remained unchanged. The base salary of other group management members was increased in line with general rises customary in the country as well as the performance against external benchmarking. Last year, the level of target achievement for the performance-related cash bonus was between 80% and 125% and the level of target achievement for the Bucher share plans was 124% (113%). The level of target achievement was in the same range as the previous year's levels, despite the Group achieving a record profit for the year and the highest profitability in its history. The number of shares awarded to the CEO and other members of group management under the Bucher share plans was significantly lower than in the previous year as a result of the higher share price: 30% higher in the case of the Bucher Executive Share Plan and 41% higher for the Bucher Share Plan. In keeping with the 41% rise in the share price, which affected the valuation of the allocated shares, the cash value of the shares awarded was significantly higher than the previous year. As a result, the CEO's total remuneration package increased by 8.4% compared with the previous year and that of the other members of group management by 7.3%. The total remuneration paid last year and the interests held by the CEO, other group management members and the total for group management at the end of 2013 are set out on pages 56 and 57 of this annual report.

Additional remuneration, fees and loans to members of governing bodies No current or former directors, group management members or persons connected with them received any additional remuneration, fees or loans during the year.

Remuneration and interests of directors and group management members

Directors' remuneration

CHF 1 000	Base salary	Share awards		Social security and pension benefits	Other remuneration	Total	Paid in cash
		Number	Value				
							2013
Rolf Broglie, chairman	225.0	332	75.0	24.1	14.0	**338.1**	239.0
Anita Hauser, deputy chairman	52.5	233	52.5	11.6	12.0	**128.6**	64.5
Ernst Bärtschi	45.0	200	45.0	10.1	12.0	**112.1**	57.0
Claude R. Cornaz	45.0	200	45.0	10.1	12.0	**112.1**	57.0
Michael Hauser	45.0	200	45.0	10.1	12.0	**112.1**	57.0
Heinrich Spoerry	45.0	200	45.0	10.1	12.0	**112.1**	57.0
Directors	**457.5**	**1 365**	**307.5**	**76.1**	**74.0**	**915.1**	**531.5**
							2012
Rolf Broglie, chairman	210.0	346	60.0	21.1	14.0	**305.1**	224.0
Anita Hauser, deputy chairman	52.5	303	52.5	11.6	12.0	**128.6**	64.5
Ernst Bärtschi	45.0	260	45.0	10.1	12.0	**112.1**	57.0
Thomas W. Bechtler	45.0	260	45.0	10.1	12.0	**112.1**	57.0
Claude R. Cornaz	45.0	260	45.0	9.1	2.0	**101.1**	47.0
Michael Hauser	45.0	260	45.0	10.1	12.0	**112.1**	57.0
Heinrich Spoerry	45.0	260	45.0	10.1	12.0	**112.1**	57.0
Directors	**487.5**	**1 949**	**337.5**	**82.2**	**76.0**	**983.2**	**563.5**

Share awards to directors comprised directors' fees. Share awards were granted and valued at the average share price of CHF 226.00 for the year (2012: CHF 173.50). Other remuneration included expenses and fees for service on the board committees.

Group management remuneration

CHF 1 000	Base salary	Cash bonus	Share awards under share plans			Social security and pension benefits	Other remu-neration	Total	Paid in cash
			BEPP Number	BPP Number	Value				
									2013
Philip Mosimann, CEO	860.0	494.5	2 360	401	734.4	439.1	19.2	**2 547.2**	1 373.7
Other members	2 718.4	906.1	1 958	1 192	837.9	1 017.5	30.0	**5 509.9**	3 654.5
Group management	**3 578.4**	**1 400.6**	**4 318**	**1 593**	**1 572.3**	**1 456.6**	**49.2**	**8 057.1**	**5 028.2**
									2012
Philip Mosimann, CEO	860.0	473.0	2 801	515	626.7	370.7	19.2	**2 349.6**	1 352.2
Other members	2 662.6	806.5	2 338	1 520	729.2	905.5	30.0	**5 133.8**	3 499.1
Group management	**3 522.6**	**1 279.5**	**5 139**	**2 035**	**1 355.9**	**1 276.2**	**49.2**	**7 483.4**	**4 851.3**

The shares awarded to group management members for the reporting year are based on the Bucher share plans. The shares awarded represent a fixed percentage of base salary and the level of target achievement during the year. The number of shares awarded under the Bucher Executive Share Plan (BEPP) was calculated using the average share price of CHF 226.00 (2012: CHF 173.50) for the year and those under the Bucher Share Plan (BPP) using a share price of CHF 266.00 (189.00), representing the average share price during the first three weeks of January 2014. All shares awarded were valued at CHF 266.00 (189.00).

Directors' interests in shares

	Number of shares	
	2013	**2012**
Rolf Broglie, chairman	13 444	13 008
Anita Hauser, deputy chairman	439 082	438 779
Ernst Bärtschi	2 628	4 368
Claude R. Cornaz	5 498	5 238
Michael Hauser	604 268	604 008
Heinrich Spoerry	3 036	2 776
Directors	**1 067 956**	**1 068 177**

The directors did not hold any share options on 31 December 2013.

Group management's interests in shares and share options

		Number of shares		Number of options	
		2013	**2012**	**2013**	**2012**
Philip Mosimann	CEO	55 642	52 478	10 800	15 300
Roger Baillod	CFO	11 135	13 072	5 400	6 600
Jean-Pierre Bernheim	Bucher Vaslin	5 112	8 960	8 400	10 480
Michael Häusermann	Bucher Municipal	6 894	7 006	5 400	12 000
Martin Jetter	Bucher Emhart Glass	2 121	1 652	3 000	6 000
Michel Siebert	Kuhn Group	12 088	7 145	2 000	10 200
Daniel Waller	Bucher Hydraulics	7 116	6 419	11 400	11 400
Group management		**100 108**	**96 732**	**46 400**	**71 980**

		Number of options					
Grant year		**2009**	**2008**	**2007**	**2006**	**2005**	**Total**
Exercise price (CHF)		115.00	149.00	221.00	116.00	108.00	
Staggered vesting over 4 years		2010 – 2013	2009 – 2012	2008 – 2011	2007 – 2010	2006 – 2009	
Life (years)		10	10	10	10	10	
Philip Mosimann	CEO	3 600	3 600	3 600	–	–	**10 800**
Roger Baillod	CFO	2 400	1 800	1 200	–	–	**5 400**
Jean-Pierre Bernheim	Bucher Vaslin	1 800	1 800	2 400	2 400	–	**8 400**
Michael Häusermann	Bucher Municipal	600	2 400	2 400	–	–	**5 400**
Martin Jetter	Bucher Emhart Glass	600	–	2 400	–	–	**3 000**
Michel Siebert	Kuhn Group	–	–	2 000	–	–	**2 000**
Daniel Waller	Bucher Hydraulics	2 400	2 400	2 400	2 400	1 800	**11 400**
Group management		**11 400**	**12 000**	**16 400**	**4 800**	**1 800**	**46 400**

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. Each option entitles the holder to purchase one share.

Financial contents

Group financial review 2013

Pleasing growth in order intake Order intake was 9.1% up on the previous year at CHF 2 718.2 million. Adjusted for currency, acquisition and disposal effects, the increase was 6.6%. Net sales rose by 3.1% to CHF 2 690.8 million, equivalent to a 0.8% rise after adjustment for currency, acquisition and disposal effects. The net acquisition and disposal effect was 2.2%. The currency effect on sales was negligible. This trend reflects the positive business performance turned in by all divisions. Kuhn Group benefitted from the continuing high level of demand in its main markets in Europe, North America and Brazil. Despite a decline, agricultural commodity prices remained at a healthy level. Demand for municipal vehicles and winter maintenance equipment rose thanks to the strong market position and a follow-up order from the city of Moscow. With the exception of the construction machinery and the industrial hydraulics segments, the hydraulic components business developed well. The market for machinery used in the manufacture of glass containers remained volatile. Business in China suffered a real slump as a result of the sharp decrease in economic growth. As part of the realignment of Bucher Emhart Glass, measures to leverage the division's global presence are well advanced and expansion of the production facility in Malaysia is already completed. In this challenging environment, Bucher Emhart Glass succeeded in increasing its order intake. The increase in incoming orders at Bucher Specials was based primarily on the buoyant business with equipment and technology for the production of fruit juice. The business with equipment for dewatering sewage developped positive as well. Bucher Vaslin's business with winemaking equipment also picked up in the second half of the year, while the Swiss distributorship for tractors and agricultural machinery remained on a growth trajectory. The order book at CHF 850.4 million was 6.9% above the solid level of the previous year, which made for a good start to the current year. Adjusted for currency, acquisition and disposal effects, the increase was 3.3%. The Group's order backlog at the end of the reporting year was equivalent to about 3.8 months' work based on full-year sales in 2013 (2012: 3.7 months). The average exchange rates used for the income statement increased by 1.8% for the EUR/CHF and by 2.2% for the SEK/CHF. The USD/CHF and GBP/CHF rates fell by 1.0% and by 2.2% respectively. The rates used to translate the balance sheet increased by 1.7% for the EUR/CHF, while the SEK/CHF fell by 1.5%, the USD/CHF by 2.7% and the GBP/CHF by 0.5%.

Acquisitions and disposals On 6 February 2013, Bucher Industries acquired a 100% interest in Filtrox Engineering AG, Switzerland, thereby strengthening the drinks technologies of Bucher Unipektin. Filtrox Engineering is a specialist in beer filtration and a leading supplier in certain areas of microfiltration for the food and drinks industry. On 12 February 2013, Bucher Industries acquired all the shares in Ölhydraulik Altenerding Dechamps & Kretz GmbH & Co. KG, Germany, for the Bucher Hydraulics division. The company specialises in advanced hydraulic cylinder technology for high-pressure applications. With the acquisition of a 100% interest in Eco Sistemas Indústria de Máquinas Ltda., Brazil, as of 1 July 2013, Bucher Hydraulics secured market access for mobile and industrial applications. At the end of September 2013, the public tender document for the acquisition of publicly listed company Jetter AG, Ludwigsburg, Germany, was published. At 31 December 2013, Bucher Industries held 77.35% of the share capital of Jetter AG. As of 1 November 2013, the company was consolidated as an additional business segment of the Bucher Specials division. Until the takeover, Jetter was shown under associates. Bucher Municipal sold the profitable ancillary business with hand-driers in Australia on behalf of MacDonald Johnston Ltd on 1 May 2013.

Net sales

CHF million	2013	2012	% change
Net sales	2 690.8	2 609.0	3.1%
Net sales adjusted for currencies	2 688.1	2 609.0	3.0%
Net sales adjusted for acquisitions and disposals	2 624.4	2 600.5	0.9%
Net sales adjusted for currencies, acquisitions and disposals	2 621.9	2 600.5	0.8%

Strong operating performance Thanks to measures implemented in previous years to optimise structures, as well as systematic cost control and lower material costs, the Group achieved a further marked increase in profitability. The Group posted a very healthy EBIT margin of 10.7% (2012: 8.9%). Adjusted for the disposal effect of CHF 4.1 million from the sale of the ancillary hand-drier business, the EBIT margin was 10.5%. Operating profit rose by 23.9% to CHF 287.1 million. Group EBITDA rose by 20.9% to CHF 371.1 million, corresponding to an EBITDA margin of 13.8% (11.8%). Other operating expenses amounted to 13.2% (12.5%) of sales. Thanks once more to the deployment of temporary staff, it was possible to adapt employment costs flexibly to the level of capacity utilisation. These rose to 24.3% (23.9%) of sales, an increase that is largely attributable to the acquisitions made in the reporting year.

Improved net financial items Net financial items amounted to negative CHF 11.4 million, compared with negative CHF 12.6 million in 2012. Net interest expense improved to negative CHF 12.2 million thanks to more favourable lending terms and reduction of bank loans. The net gain on financial instruments rose to CHF 6.7 million, an increase of CHF 5.4 million on the previous year's level, largely thanks to the sale of bonds. The changes in the fair value of financial instruments recognised in the fair value reserve in equity decreased for the same reason by CHF 3.5 million to CHF 3.1 million. Foreign exchange gains and losses netted to a loss of CHF 6.9 million (2012: loss of CHF 0.8 million). Net financial items included foreign exchange gains and losses on financial transactions, whereas foreign exchange losses of CHF 9.6 million (foreign exchange gains of CHF 4.0 million) were recognised in operating profit (EBIT). The Group's share of profit of associates amounted to CHF 2.0 million (CHF 0.6 million).

Net financial items

CHF million

	2013	2012
Interest expense on financial liabilities	– 16.7	– 16.9
Interest income on financial assets	4.5	4.1
Net interest expense	**– 12.2**	**– 12.8**
Net gain on financial instruments	6.7	1.3
Financial foreign exchange gains and losses	– 6.9	– 0.8
Share of profit/(loss) of associates	2.0	0.6
Other financial items	– 1.0	– 0.9
Net financial items	**– 11.4**	**– 12.6**

Tax rate and profit for the year Income tax expense rose to CHF 79.5 million (2012: CHF 63.1 million) because of the improved pre-tax result. The tax rate was 28.8%, on a par with the figure for 2012. Group profit for the year reached CHF 196.2 million, an increase of 25.8% over the previous year. The return on sales was 7.3% (6.0%). Based on the higher profit for the year and despite the slightly higher average number of shares compared with the previous year, earnings per share rose by 26.5% to CHF 19.64 (CHF 15.52).

Financial situation strengthened Net operating assets amounted to CHF 1 080.8 million, against CHF 900.6 million a year earlier. The 20.0% increase is mainly attributable to acquisitions and investments. In addition, the healthy order intake in the second half of the year led to an increase in receivables and inventories. At the end of the year, net operating assets as a percentage of net sales were 40.2% (2012: 34.5%). The return on net operating assets (RONOA) after tax was 19.3%, once again exceeding the high target of 16% set by the Group and creating added value. As part of sustainable corporate development, capital expenditure increased to CHF 136.6 million. The most important single investments involved expansion projects at Kuhn Group in France and the Netherlands, as well as the merger of the production plants of Johnston Sweepers in Great Britain. Operating free cash flow was CHF 91.7 million (CHF 105.4 million). Taking into account the higher dividend compared with the previous year of CHF 51.6 million, the free cash flow generated amounted to CHF 61.5 million (CHF 61.8 million). Net liquidity was negative CHF 0.1 million (negative CHF 19.4 million). The decrease in net debt by CHF 165.3 million since 30 June 2013 was mainly due to seasonal factors.

At the end of 2013, intangible assets amounted to CHF 181.5 million (2012: CHF 159.3 million). The increase is primarily due to the acquisitions made. Goodwill changed to CHF 80.3 million (CHF 73.3 million) because of the acquisition effect and the conversion rates applied. The annual impairment tests of intangible assets were based on the cash flow projections of the individual cash-generating units. Based on the ongoing assessment of the outlook for the years ahead, the impairment test did not indicate any need for an impairment charge. The ratio of intangible assets to equity was 16.9%, while that of goodwill to equity was 7.5% (17.9% and 8.2% respectively).

Equity increased by CHF 183.8 million to CHF 1 074.1 million at 31 December 2013. The profit for the year of CHF 196.2 million was countered by foreign exchange losses of CHF 7.9 million (2012: losses of CHF 10.8 million) on translation of foreign subsidiaries' equity and the dividends of CHF 51.6 million. The equity ratio rose by 4.7 percentage points to 44.1% (39.4%) and the return on equity was 20.0% (18.3%). At the end of the year, the Group had cash and liquid assets of CHF 455.7 million and financial liabilities of CHF 455.8 million. A total of CHF 265.0 million was available in unused committed credit facilities.

Return on net operating assets (RONOA) after tax

CHF million	2013	2012[1]
Trade receivables	437.5	410.7
Inventories	632.9	582.1
Property, plant and equipment	569.7	478.0
Intangible assets	181.5	159.3
Other receivables	55.6	48.0
Trade payables	– 261.2	– 238.4
Advances from customers	– 190.4	– 212.5
Provisions	– 71.5	– 71.5
Other liabilities	– 273.3	– 255.1
Net operating assets (NOA)	**1 080.8**	**900.6**
Net operating assets (NOA), average	1 061.3	969.6
Operating profit (EBIT)	**287.1**	**231.7**
Return on net operating assets after tax (RONOA)	**19.3%**	**17.0%**

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

Cash flow/free cash flow

CHF million	2013	2012
Net cash flow from operating activities	**223.5**	**199.9**
Purchases of property, plant and equipment	– 132.6	– 93.8
Proceeds from sale of property, plant and equipment	4.8	2.0
Purchases of intangible assets	– 4.0	– 2.7
Operating free cash flow	**91.7**	**105.4**
Purchases of short-term investments and financial assets	– 2.9	– 8.2
Proceeds from sale of short-term investments and financial assets	30.5	13.7
Acquisition	– 54.9	– 2.5
Disposal	4.8	0.9
Acquisition of associates	–	– 0.9
Purchases of treasury shares	–	– 6.4
Proceeds from sale of treasury shares	43.6	3.8
Dividend received	0.3	0.2
Dividend paid	– 51.6	– 44.2
Free cash flow	**61.5**	**61.8**

Employee numbers The number of employees rose by 7.4% year on year to 10 916 full-time equivalents at the reporting date. The average for the year was 3.9% higher. Adjusted for acquisition and disposal effects, the number of employees rose by 2.1%. Thanks to the deployment of temporary staff, it was possible to adapt employment numbers with a high degree of flexibility to seasonal fluctuations and local economic trends. Group sales increased by 3.1%, while net sales per employee were CHF 250 000, on a par with 2012. Adjusted for currencies, acquisitions and disposals, net sales per employee amounted to CHF 251 000.

Selected financial data

CHF million	2013	2012[1)]
Net tangible worth (equity less goodwill)	993.8	817.0
Gearing ratio (net debt to equity)	–	2.2%
Return on equity (ROE)	20.0%	18.3%
Interest coverage ratio (EBITDA to net interest expense)	30.5	24.1
Debt payback period (net debt to EBITDA)	–	0.1

1) 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

Shareholder value In a generally buoyant stock market, Bucher’s share price performed exceptionally well. The year-end price was CHF 259.00 (2012: CHF 180.00). The 52-week high was CHF 259.00, with a 52-week low of CHF 182.20. The company’s market capitalisation reached CHF 2.7 billion at the year-end, representing a price/book ratio of 2.6. Earnings per share were CHF 19.64, against CHF 15.52 a year earlier.

Dividend In view of the Group’s profit for the year, the outlook for 2014 and a consistent dividend policy, the board of directors proposes that the annual general meeting on 10 April 2014 approves payment of a higher dividend of CHF 6.50 per registered share (2012: CHF 5.00). Based on the average share price of CHF 226.00 for 2013, the board’s proposal represents a dividend yield of 2.9% (2.9%).

Consolidated balance sheet at 31 December 2013

CHF million	Note	31 December 2013	31 December 2012[1]	1 January 2012[1]
Cash and cash equivalents		423.1	424.6	402.8
Short-term investments	3	32.6	55.7	64.3
Trade receivables	4	437.5	410.7	419.7
Current income tax assets		10.4	5.7	5.2
Other receivables	4	50.6	42.3	51.1
Inventories	5	632.9	582.1	587.9
Current assets		**1 587.1**	**1 521.1**	**1 531.0**
Long-term receivables	4	3.3	6.5	10.4
Property, plant and equipment	6	569.7	478.0	449.2
Intangible assets	7	181.5	159.3	174.0
Other financial assets	8	33.0	34.4	30.0
Investments in associates	9	11.5	16.1	14.6
Deferred income tax assets	19	50.2	44.0	40.4
Non-current assets		**849.2**	**738.3**	**718.6**
Assets		**2 436.3**	**2 259.4**	**2 249.6**
Financial liabilities	10	283.4	152.6	76.0
Trade payables		261.2	238.4	272.8
Advances from customers		190.4	212.5	235.3
Provisions	11	60.3	60.6	52.0
Other liabilities	12	214.3	200.2	208.0
Current income tax liabilities		49.5	42.2	33.3
Current liabilities		**1 059.1**	**906.5**	**877.4**
Financial liabilities	10	172.4	347.1	462.6
Provisions	11	11.2	10.9	12.0
Other liabilities	12	12.6	14.7	18.6
Deferred income tax liabilities	19	54.5	43.9	46.5
Retirement benefit obligations	20	52.4	46.0	36.6
Non-current liabilities		**303.1**	**462.6**	**576.3**
Attributable to owners of Bucher Industries AG		1 030.2	854.9	762.3
Attributable to non-controlling interests		43.9	35.4	33.6
Equity		**1 074.1**	**890.3**	**795.9**
Liabilities and equity		**2 436.3**	**2 259.4**	**2 249.6**

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

Consolidated income statement for the year ended 31 December 2013

CHF million	Note	2013	%	2012[1]	%
Net sales	1	**2 690.8**	**100.0**	**2 609.0**	**100.0**
Changes in inventories of finished goods and work in progress		22.1		–8.5	
Raw materials and consumables used		–1 361.9		–1 363.5	
Employment costs	14	–652.9		–624.2	
Other operating income	15	28.2		21.4	
Other operating expenses	16	–355.2		–327.3	
Operating profit before depreciation and amortisation (EBITDA)		**371.1**	**13.8**	**306.9**	**11.8**
Depreciation	6	–66.7		–59.2	
Amortisation	7	–17.3		–16.0	
Operating profit (EBIT)		**287.1**	**10.7**	**231.7**	**8.9**
Share of profit/(loss) of associates		2.0		0.6	
Finance costs	18	–18.1		–18.2	
Finance income	18	4.7		5.0	
Profit before tax		**275.7**	**10.2**	**219.1**	**8.4**
Income tax expense	19	–79.5		–63.1	
Profit/(loss) for the year		**196.2**	**7.3**	**156.0**	**6.0**
Attributable to owners of Bucher Industries AG		194.5		151.7	
Attributable to non-controlling interests		1.7		4.3	
Basic earnings per share in CHF	13	19.64		15.52	
Diluted earnings per share in CHF	13	19.53		15.45	

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

Consolidated statement of comprehensive income for the year ended 31 December 2013

CHF million

	2013	2012[1)]
Profit/(loss) for the year	**196.2**	**156.0**
Change in actuarial gains/(losses) on defined benefit pension plans	3.3	– 11.6
Change in actuarial gains/(losses) on defined benefit pension plans of associates	–	– 0.1
Income tax	– 1.1	2.9
Change in actuarial gains/(losses) on defined benefit pension plans, net of tax	**2.2**	**– 8.8**
Items that will not be transferred subsequently to income statement	**2.2**	**– 8.8**
Change in fair value reserve	1.8	1.7
Transfer to income statement	– 6.5	– 1.1
Income tax	1.2	– 0.2
Change in fair value reserve, net of tax	**– 3.5**	**0.4**
Change in cash flow hedge reserve	4.0	2.3
Transfer to income statement	– 5.5	– 1.6
Income tax	0.7	– 1.3
Change in cash flow hedge reserve, net of tax	**– 0.8**	**– 0.6**
Change in currency translation reserve	– 9.5	– 11.3
Transfer to income statement	1.6	0.5
Net change in currency translation reserve	**– 7.9**	**– 10.8**
Items that may be transferred subsequently to income statement	**– 12.2**	**– 11.0**
Other comprehensive income	**– 10.0**	**– 19.8**
Comprehensive income	**186.2**	**136.2**
Attributable to owners of Bucher Industries AG	184.3	132.6
Attributable to non-controlling interests	1.9	3.6

1) 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

Consolidated cash flow statement for the year ended 31 December 2013

CHF million	Note	2013	2012[1]
Profit/(loss) for the year		**196.2**	**156.0**
Income tax expense	19	79.5	63.1
Net interest expense	18	12.2	12.8
Share of profit/(loss) of associates		–2.0	–0.6
Depreciation and amortisation	6, 7	84.0	75.2
Other operating cash flow items		3.4	4.1
Gain on sale of non-current assets and subsidiaries		–7.5	–0.7
Gain on sale of short-term investments and financial assets		–6.5	–1.1
Interest received		4.0	4.1
Interest paid		–15.0	–16.0
Income tax paid		–63.9	–58.9
Change in provisions and retirement benefit obligations		1.2	7.2
Change in receivables		–12.2	14.7
Change in inventories		–38.6	4.1
Change in advances from customers		–25.3	–20.8
Change in payables		27.0	–42.4
Other changes in working capital		–13.0	–0.9
Net cash flow from operating activities		**223.5**	**199.9**
Purchases of property, plant and equipment	6	–132.6	–93.8
Proceeds from sale of property, plant and equipment		4.8	2.0
Purchases of intangible assets	7	–4.0	–2.7
Purchases of short-term investments and financial assets		–2.9	–8.2
Proceeds from sale of short-term investments and financial assets		30.5	13.7
Acquisition	2	–54.9	–2.5
Disposal	2	4.8	0.9
Acquisition of associates	9	–	–0.9
Dividend received	9	0.3	0.2
Net cash flow from investing activities		**–154.0**	**–91.3**
Purchases of treasury shares		–	–6.4
Proceeds from sale of treasury shares		43.6	3.8
Proceeds from long-term financial liabilities		54.0	22.3
Repayment of long-term financial liabilities		–5.6	–3.0
Proceeds from short-term financial liabilities		79.7	8.3
Repayment of short-term financial liabilities		–191.7	–65.5
Dividend paid		–51.6	–44.2
Net cash flow from financing activities		**–71.6**	**–84.7**
Effect of exchange rate changes		0.6	–2.1
Net change in cash and cash equivalents		**–1.5**	**21.8**
Cash and cash equivalents at 1 January		424.6	402.8
Cash and cash equivalents at 31 December		**423.1**	**424.6**

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

Consolidated statement of changes in equity for the year ended 31 December 2013

CHF million	Share capital	Retained earnings	Treasury shares	Currency trans-lation reserve	Fair value reserve	Cash flow hedge reserve	Attribut-able to owners of Bucher Industries AG	Non-con-trolling interests	Total equity
Balance at 31 December 2011	**2.1**	**1 091.0**	**−69.4**	**−251.6**	**6.2**	**2.5**	**780.8**	**33.6**	**814.4**
Restatement[1), 2)]		−18.2		−0.3			−18.5	–	**−18.5**
Balance at 1 January 2012[1)]	**2.1**	**1 072.8**	**−69.4**	**−251.9**	**6.2**	**2.5**	**762.3**	**33.6**	**795.9**
Profit/(loss) for the year[1)]		151.7					151.7	4.3	**156.0**
Other comprehensive income[1)]		−8.8		−10.1	0.4	−0.6	−19.1	−0.7	**−19.8**
Total comprehensive income for the year[1)]		**142.9**		**−10.1**	**0.4**	**−0.6**	**132.6**	**3.6**	**136.2**
Change in treasury shares		0.9	−3.7				−2.8		**−2.8**
Share-based payments		4.2	1.7				5.9		**5.9**
Reduction in share capital	–	−50.2	50.2				–		**–**
Change in non-controlling interests		−4.0					−4.0	3.3	**−0.7**
Dividend		−39.1					−39.1	−5.1	**−44.2**
Balance at 31 December 2012[1)]	**2.1**	**1 127.5**	**−21.2**	**−262.0**	**6.6**	**1.9**	**854.9**	**35.4**	**890.3**
Profit/(loss) for the year		194.5					194.5	1.7	**196.2**
Other comprehensive income		2.2		−8.1	−3.5	−0.8	−10.2	0.2	**−10.0**
Total comprehensive income for the year		**196.7**		**−8.1**	**−3.5**	**−0.8**	**184.3**	**1.9**	**186.2**
Change in treasury shares		26.5	7.4				33.9		**33.9**
Share-based payments		6.5	3.4				9.9		**9.9**
Change in non-controlling interests		−3.2					−3.2	8.6	**5.4**
Dividend		−49.6					−49.6	−2.0	**−51.6**
Balance at 31 December 2013	**2.1**	**1 304.4**	**−10.4**	**−270.1**	**3.1**	**1.1**	**1 030.2**	**43.9**	**1 074.1**

1) 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.
2) Employee benefits of CHF 24.8 million less deferred tax of CHF 6.3 million.

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 Bucher Industries Group comprises five specialised divisions. The Group's operations are organised as follows: specialised agricultural machinery (Kuhn Group); municipal vehicles (Bucher Municipal); hydraulic components (Bucher Hydraulics); manufacturing equipment for the glass container industry (Bucher Emhart Glass); systems and technologies for the production of wine, fruit juice and instant products, and for dewatering sewage sludge, a Swiss distributorship for tractors and specialised agricultural machinery, and control systems for automation technology (Bucher Specials).

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 Bucher Industries has implemented the following changes to the existing standards and presentations. Apart from IAS 19 ("revised"), there was no significant impact on the result or the financial situation of the Group. The effects of applying IAS 19 ("revised") are disclosed on pages 80 to 81.

Standard/Interpretation		Effective date
New standards		
IFRS 10	Consolidated financial statements	1 January 2013
IFRS 11	Joint arrangements	1 January 2013
IFRS 12	Disclosure of involvement with other entities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013
Revised standards		
IAS 1	Presentation of financial statements	1 July 2012
IAS 19	Improvements to the accounting for post-employment benefits	1 January 2013
IAS 28	Investments in associates and joint ventures	1 January 2013
IAS 36	Removement of disclosure of recoverable amount	1 January 2014
Div.	Various amendments and annual improvements to IFRSs	

Future standards not yet adopted Bucher Industries continually assesses the possible impact of the new and revised standards and interpretations not adopted early in the present consolidated financial statements. These changes are not expected to have a significant impact on the result or the financial situation.

Management's assumptions and estimates The preparation of 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. More information about the areas described below is disclosed in the notes to the consolidated financial statements.

Impairment of assets Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually, while other assets are reviewed for impairment whenever there is an indication that they may be impaired. To determine whether assets are impaired, various assumptions and estimates of future cash flows expected from their use and eventual disposal are made and discounted. Group management bases its assessments on past performance and on estimated future performance for at least the next three years based on its expectations of market development. The discount rate used is a pre-tax interest rate that reflects specific risks relating to the individual operating segments. Actual cash flows may differ from those expected. Any impairment losses are recognised as an expense in the income statement. The carrying amount of goodwill and details of the valuation parameters and sensitivity analyses used are set out in note 7.

Provisions Provisions are formed for a number of events where it is probable that an outflow of resources will be required. The provision for warranty claims is measured on the basis of historical data for the last two years, which are applied to current sales and weighted by warranty period. Management estimates the other provisions realistically based on information currently available. However, actual cash outflows and their timing may differ significantly depending on the outcome of events. The carrying amounts of provisions are set out in note 11.

Income tax expense Assumptions and estimates are required to determine the amount of current and deferred income tax assets and liabilities. Deferred tax assets are recognised for temporary differences and for tax losses carried forward to the extent that the realisation of the related tax benefit is probable. Their measurement is based on forecasts by the entities concerned and on assessments of tax legislation and regulations. If these forecasts and assessments prove to be incorrect, then impairment may result. More details are given in note 19.

Pension plans Most of the pension plans operated by the Group are of the defined contribution type, but defined benefit plans are provided in some countries. 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. The assumptions are reviewed at the end of each year based on observable market data. If any of these factors differs from the underlying assumptions, this may have a significant impact on the amount of benefit obligations and assets of the pension plans. More details are given in note 20.

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, 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.

Associates 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%. Investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Cost comprises the proportionate net asset and any goodwill. 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. Adjustments are made if there is any objective evidence of a permanent impairment in value.

Foreign currency translation The individual financial statements of each of the Group's foreign entities are presented 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. Each of the segments is distinct from the others, providing different products and services for different customer groups. 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 included in cash and cash equivalents, and derivative financial instruments are measured at fair value, with changes in fair value recognised in the income statement. Derivative financial instruments are recorded as other receivables or other payables as applicable.

Loans and receivables at amortised cost These include non-derivative financial assets such as loans and receivables with fixed or determinable payments that are not quoted in an active market. Such financial assets 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 Held-to-maturity 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 comprise cash in hand, at banks and in postal accounts, and fixed term deposits with original maturities of three months or less. There are no restrictions on cash and cash equivalents.

Short-term investments Short-term investments comprise marketable, readily realisable investments (equities, bonds, money market instruments) classified as "available-for-sale". Fair value is determined by reference to quoted market prices.

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.

Other financial assets These assets include long-term investments (of less than 20%), long-term loans and other miscellaneous financial assets. Long-term loans are carried as "loans and receivables" and valued at amortised cost. The other financial assets can additionally be classified as "available-for-sale" and correspondingly measured at fair value. Charges and credits to the income statement are recorded in finance income.

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. They are initially recognised in the balance sheet and subsequently remeasured at fair value based on quoted market prices at the reporting date. Changes in fair value are recorded 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 in the balance sheet as other receivables or other payables 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. 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. 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. The Group has determined the following useful lives:

	Years
Office machinery, computer equipment, vehicles	2 – 7
Temporary structures	5 – 10
Plant and machinery	5 – 12
Furniture, fixtures and equipment	5 – 15
Infrastructure	10 – 30
Buildings	15 – 50

Low value assets are expensed directly to the income statement.

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. On initial recognition, assets held under finance leases are 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 related lease obligations are recorded as liabilities. An operating lease is a lease other than a finance lease. The lease payments are charged to the income statement on a straight-line basis over the lease term.

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 and intangible assets with indefinite useful lives are not amortised, but are capitalised and tested for impairment annually or whenever there are indications of possible impairment. Intangible assets that are subject to amortisation are reviewed for impairment only when there is an indication that the carrying amount may not be recoverable. Impairment losses are recognised directly through the income statement. 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.

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 payables. 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. 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, commissions, 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. Deferred tax liabilities connected with non-distributed profits for group companies and associated companies are taken into account unless the Group can fully determine the disbursement policy for the corresponding companies and if 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 gains and losses are recognised to the full amount in other comprehensive income in the period in which they occur. The Group's contributions to defined contribution pension plans as well as past service costs and benefit entitlements arising from changes in the plans are charged directly to the income statement. In application of IAS 19, employer contribution reserves and assets of voluntary employer-sponsored funds are recognised as assets. 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 payments In 2010, the share-based payment schemes were replaced by new share plans. Share options granted in earlier years under the previous share option plans remain valid. More information is given in note 21.

Bucher Executive Share Plan The Bucher Executive Share Plan is a share-based, performance-related component of remuneration for the members of group management. The shares awarded are calculated using the average share price for the reporting year. The shares awarded are valued using the average share price during the first three weeks of January in the financial year following the reporting year. The costs are recognised in the income statement on an accrual basis.

Bucher Share Plan The Bucher Share Plan is a share-based, performance-related component of remuneration for the members of group management, division management and selected specialists. The shares awarded are calculated and valued using the average share price during the first three weeks of January in the financial year following the reporting year. The costs are recognised in the income statement on an accrual basis.

Share option plans In 2009 (last award), share options were valued using the so-called Enhanced American model (EA model). Employment costs associated with the outstanding share options are recognised pro rata over the periods to vesting.

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.

Application of IAS 19 – "Employee benefits (revised)" With the elimination of the corridor approach, all actuarial gains and losses will be recognised in the statement of comprehensive income. Under the revised standard, the interest return on plan assets is calculated at the discount rate applied in the calculation of present value of defined benefit obligations. Previously, the expected return on plan assets was based on a value which was higher than the discount rate. The revised standard was applied retrospectively as per 1 January 2012. The effect on equity is shown in the consolidated statement of changes in equity. Corresponding adjustments were made to the previous year's positions.

Effects on the consolidated balance sheet

CHF million	Restated	Adjustment	Reported
	2012		**2012**
Other financial assets	34.4	−5.0	39.4
Investments in associates	16.1	−0.3	16.4
Deferred income tax assets	44.0	8.4	35.6
Deferred income tax liabilities	43.9	−0.2	43.7
Retirement benefit obligations	46.0	−28.3	17.7
Equity	**890.3**	**−25.4**	**915.7**
Attributable to owners of Bucher Industries AG	854.9	−25.4	880.3
Attributable to non-controlling interests	35.4	–	35.4

Effects on the consolidated income statement

CHF million	Restated	Adjustment	Reported
	2012		**2012**
Employment costs	−624.2	2.6	−626.8
Operating profit (EBIT)	**231.7**	**2.6**	**229.1**
Income tax expense	−63.1	−0.8	−62.3
Profit/(loss) for the year	**156.0**	**1.8**	**154.2**
Attributable to owners of Bucher Industries AG	151.7	1.8	149.9
Attributable to non-controlling interests	4.3	–	4.3
Basic earnings per share in CHF	15.52	0.18	15.34
Diluted earnings per share in CHF	15.45	0.18	15.27

Effects on the consolidated statement of comprehensive income

CHF million	Restated	Adjustment	Reported
	2012		**2012**
Profit/(loss) for the year	**156.0**	**1.8**	**154.2**
Change in actuarial gains/(losses) on defined benefit pension plans	−11.6	−11.6	–
Change in actuarial gains/(losses) on defined benefit pension plans of associates	−0.1	−0.1	–
Income tax	2.9	2.9	–
Change in currency translation reserve	−11.3	0.1	−11.4
Other comprehensive income	**−19.8**	**−8.7**	**−11.1**
Total comprehensive income	**136.2**	**−6.9**	**143.1**
Attributable to owners of Bucher Industries AG	132.6	−6.9	139.5
Attributable to non-controlling interests	3.6	–	3.6

Effects on the consolidated cash flow statement

CHF million	Restated	Adjustment	Reported
	2012		**2012**
Profit/(loss) for the year	**156.0**	**1.8**	**154.2**
Income tax expense	63.1	0.8	62.3
Change in provisions and retirement benefit obligations	7.2	−2.6	9.8
Net cash flow from operating activities	**199.9**	**–**	**199.9**

Notes to the consolidated financial statements

1 Segment information

The Group comprises five specialised divisions in related areas of mechanical and vehicle engineering. 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. The following summary describes the operations of each of the reportable segments:

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

Bucher Municipal is the European and Australian market leader in municipal vehicles for cleaning and clearing snow from public and private spaces, offering a wide range of compact and truck-mounted sweepers, winter maintenance equipment and refuse collection vehicles.

Bucher Hydraulics is a leading international manufacturer of advanced hydraulic systems. The wide range of products includes pumps, motors, valves, power units, cylinders, elevator drives and control systems with integrated electronics.

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

Bucher Specials comprises machinery and equipment for winemaking (Bucher Vaslin), equipment and technologies for processing fruit juice and instant products and for dewatering sewage sludge (Bucher Unipektin), a Swiss distributorship for tractors and specialised agricultural machinery (Bucher Landtechnik), and control systems for automation technology (Jetter).

CHF million	Net sales		Depreciation		Amortisation		Operating profit (EBIT)	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012[1)]**
Kuhn Group	1 285.8	1 222.4	28.3	24.7	10.2	9.9	191.2	153.0
Bucher Municipal	383.2	424.2	6.2	5.8	0.8	0.7	33.1	39.3
Bucher Hydraulics	453.3	406.8	17.0	14.6	2.2	2.8	42.4	36.5
Bucher Emhart Glass	346.6	366.5	9.8	9.5	2.0	1.9	16.7	1.0
Bucher Specials	244.0	205.8	2.5	2.4	2.1	0.7	24.4	16.6
Reportable segments	**2 712.9**	**2 625.7**	**63.8**	**57.0**	**17.3**	**16.0**	**307.8**	**246.4**
Other/consolidation	– 22.1	– 16.7	2.9	2.2	–	–	– 20.7	– 14.7
Group	**2 690.8**	**2 609.0**	**66.7**	**59.2**	**17.3**	**16.0**	**287.1**	**231.7**

1) 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

CHF million	Capital expenditure		Goodwill		Operating assets		Operating liabilities	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Kuhn Group	60.2	38.5	28.8	29.2	763.4	727.7	454.0	466.4
Bucher Municipal	22.5	12.0	4.9	4.9	241.6	227.0	95.5	97.9
Bucher Hydraulics	31.1	24.9	4.6	–	315.7	248.5	58.5	49.8
Bucher Emhart Glass	14.0	15.0	21.8	21.7	352.3	341.2	110.3	97.6
Bucher Specials	4.6	3.0	4.3	1.2	173.1	105.1	71.0	57.8
Reportable segments	**132.4**	**93.4**	**64.4**	**57.0**	**1 846.1**	**1 649.5**	**789.3**	**769.5**
Other/consolidation	4.2	3.1	15.9	16.3	31.1	28.6	7.1	8.0
Group	**136.6**	**96.5**	**80.3**	**73.3**	**1 877.2**	**1 678.1**	**796.4**	**777.5**

The performance of each of the divisions is evaluated based on operating profit or loss, which is measured consistently for management reporting and in the consolidated financial statements. The figures reported as “other/consolidation” comprise the results of the holding, finance and management companies as well as consolidation adjustments for intersegment transactions. Intersegment sales amounted to CHF 12.7 million (2012: CHF 12.3 million) for Kuhn Group, CHF 4.3 million (CHF 4.1 million) for Bucher Hydraulics and CHF 4.8 million (none) for Bucher Specials. The other divisions had only marginal intersegment sales. Internal sales were carried out at arm’s length on normal commercial terms.

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

Reconciliation of segment profit

CHF million

	2013	2012[1]
Segment operating profit (EBIT)	307.8	246.4
Other/consolidation	– 20.7	– 14.7
Group operating profit (EBIT)	**287.1**	**231.7**
Share of profit/(loss) of associates	2.0	0.6
Finance costs	– 18.1	– 18.2
Finance income	4.7	5.0
Profit before tax	**275.7**	**219.1**

[1] 2012: retrospective restatement owing to first application of IAS 19 "Employee benefits (revised)".

Reconciliation of segment assets

CHF million

	2013	2012[1]
Segment operating assets	**1 846.1**	**1 649.5**
Other/consolidation	31.1	28.6
Group operating assets	**1 877.2**	**1 678.1**
Cash, cash equivalents and short-term investments	455.7	480.3
Other financial assets	33.0	34.4
Other assets	8.7	6.5
Investments in associates	11.5	16.1
Deferred income tax assets	50.2	44.0
Group assets	**2 436.3**	**2 259.4**

[1] 2012: retrospective restatement owing to first application of IAS 19 "Employee benefits (revised)".

Reconciliation of segment liabilities

CHF million	2013	2012[1)]
Segment operating liabilities	**789.3**	**769.5**
Other/consolidation	7.1	8.0
Group operating liabilities	**796.4**	**777.5**
Short-term financial liabilities	283.4	152.6
Long-term financial liabilities	172.4	347.1
Other payables	3.1	2.0
Deferred income tax liabilities	54.5	43.9
Retirement benefit obligations	52.4	46.0
Group liabilities	**1 362.2**	**1 369.1**

1) 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

Geographical information

CHF million	Net sales		Property, plant and equipment and intangible assets	
	2013	**2012**	**2013**	**2012**
Switzerland	131.0	120.5	105.8	91.7
Germany	377.2	348.6	101.5	44.5
France	439.5	418.7	137.3	117.2
Rest of Europe	721.3	743.2	175.0	159.2
North America	532.1	467.3	124.0	128.1
Central and South America	100.0	100.4	17.9	10.4
Asia	237.4	246.9	75.9	69.4
Other	152.3	163.4	13.8	16.8
Total	**2 690.8**	**2 609.0**	**751.2**	**637.3**

Net sales have been allocated to the countries of destination.

2 Acquisitions and disposals

Bucher Filtrox Systems AG On 6 February 2013, Bucher Industries acquired a 100% interest in Filtrox Engineering AG in St.Gallen, Switzerland. With a wide range of modern filtration technologies, Filtrox Engineering is engaged in the area of beer filtration and certain areas of microfiltration for the food and drinks industry. The acquisition strengthens the drinks technologies of Bucher Unipektin and provides the company with an entry into the worldwide beer market. The company was renamed Bucher Filtrox Systems AG.

Bucher Hydraulics Erding GmbH On 12 February 2013, Bucher Industries acquired all shares in Ölhydraulic Altenerding Dechamps & Kretz GmbH & Co. KG, Erding, Germany, for the Bucher Hydraulics division. This medium-sized company specialises in advanced hydraulic cylinder technology in high-pressure applications, complementing Bucher Hydraulics existing product portfolio in hydraulic systems. The company was renamed Bucher Hydraulics Erding.

Bucher Hidráulica Ltda. On 1 July 2013, Bucher Industries acquired a 100% interest in Eco Sistemas Indústria de Máquinas Ltda., Porto Alegre, Brazil, for the Bucher Hydraulics division. Eco Sistemas manufactures hydraulic power units for mobile and industrial applications and acts as a system integrator of valves and other hydraulic products in the Brazilian market. Important factors in the decision to acquire the company were Eco Sistemas' know-how as a recognised integrator of hydraulic systems and the well-established client base. The company was renamed Bucher Hidráulica Ltda.

Jetter AG At the end of September, Bucher Industries presented a voluntary public tender offer to the shareholders of Jetter AG, Ludwigsburg, Germany, for the purchase of all shares at a price of EUR 7.00 per share. Together with the stake of 29.98% already held, Bucher Industries newly had a 77.35% interest in Jetter AG. Until 31 October 2013, the stake in Jetter AG as an associate company was valued using the equity method. Jetter AG has been fully consolidated since 1 November 2013. After taking into account foreign exchange differences, the revaluation resulted in an insignificant gain. See note 9 for further information. Jetter has been an important partner of Bucher Industries since 2002. In addition to developing and manufacturing electronic control units used by Bucher Emhart Glass in its systems for forming and inspecting glass containers, the company supplies Bucher Municipal with electronics for new municipal vehicles. Jetter has been consolidated under the Bucher Specials division and will continue to be listed on the Frankfurt Xetra exchange until further notice.

The total costs for the acquisitions, including acquisition of liabilities, were CHF 62.5 million. These acquisition cost, except for the conditional payment, were settled in full from cash and cash equivalents. CHF 1.3 million from the acquisition of Bucher Hidráulica was recognised as a conditional consideration in other liabilities. To determine the contingent purchase price liability, the future payments were discounted at the time of the acquisition. The payments totalling up to a maximum of CHF 3.2 million will be made over the next five years and are dependent on the annual sales and operating profit targets (EBIT). The value of receivables acquired represented fair value. At the reporting date, the process to determine the fair values of identifiable assets, goodwill, liabilities and contingent liabilities arising from the acquisition of Bucher Filtrox Systems and Bucher Hydraulics Erding was completed. In the case of Bucher Hidráulica and Jetter, the determination of fair values is not yet finalised. Both goodwill and the volume and amounts of identifiable assets, goodwill, liabilities and contingent liabilities can therefore still change. Based on the preliminary purchase price allocations, the goodwill from the acquisitions was at CHF 8.4 million. This represents the entry into the markets and the synergy potential from the merger as well as the employees' expertise.

Taking account of interdivisional dealings, the acquired companies generated sales of CHF 64.1 million and a loss of CHF 2.8 million since the date of the acquisition. If the acquisitions had been completed on 1 January 2013, the adjusted sales of the acquisitions would have totalled CHF 90.8 million and loss CHF 5.6 million. The acquisition costs of CHF 1.3 million were recognised proportionally in 2012 and 2013 under other operating expenses.

MacDonald Johnston Ltd On 1 May 2013, Bucher Municipal sold the ancillary hand-drier business of MacDonald Johnston Ltd The sale generated a gain of CHF 4.1 million, which was recognised in other operating income.

Cash flow from acquisitions and disposals

CHF million	Fair value on acquisition	Disposal	Fair value on acquisition	Disposal
		2013		**2012**
Cash and cash equivalents	9.0	–	–	–0.6
Trade receivables	17.4	–	–	–0.8
Other receivables	3.4	–	–	–
Long-term receivables	0.1	–	–	–
Inventories	24.1	–0.8	2.7	–0.8
Property, plant and equipment	31.6	–0.1	0.6	–0.9
Intangible assets	28.7	–	1.3	–
Other financial assets	0.1	–	–	–
Deferred income tax assets	2.7	–	0.1	–0.1
Financial liabilities – current	–5.7	–	–	0.8
Trade payables	–8.4	–	–	0.6
Advances from customers	–2.3	–	–	0.1
Current income tax liabilities	–0.4	–	–	–
Provisions – short-term	–1.5	0.1	–	–
Other payables	–6.2	0.1	–	0.1
Financial liabilities – non-current	–13.0	–	–	–
Deferred income tax liabilities	–5.0	–	–0.1	–
Retirement benefit obligations	–6.7	–	–	0.1
Net assets	**67.9**	**–0.7**	**4.6**	**–1.5**
Shares previously held	–8.4	–	–	–
Non-controlling interests	–5.4	–	–	0.7
Goodwill	8.4	–	–	–
Currency translation reserve	–	–	–	–0.5
Gain on disposal	–	–4.1	–	–0.2
Total purchase consideration	**62.5**	**–4.8**	**4.6**	**–1.5**
Cash and cash equivalents	–9.0	–	–	0.6
Contingent consideration	–1.3	–	–	–
Deferred consideration	–	–	–2.3	–
Contingent consideration relating to previous years	0.4	–	0.2	–
Deferred consideration relating to previous years	2.3	–	–	–
Net cash flow on acquisition/disposal	**54.9**	**–4.8**	**2.5**	**–0.9**

Payments of deferred consideration relating to previous years arose in connection with last year's acquisition of Assaloni.com. The contingent considerations relating to previous years arose in connection with the 2011 acquisition of Kuhn Krause. For further information on the conditional purchase price liabilities see note 23.

Giletta S.p.A. Giletta is a leading Italian manufacturer of winter maintenance equipment and is integrated in the Bucher Municipal division. To strengthen the winter maintenance activities, they were consolidated within Bucher Municipal under a single management. As of 1 November 2013, the equity holding in Giletta was increased from 50% to 60% through a capital increase of CHF 11.6 million. At the same time, the holding in Gmeiner GmbH was incorporated. The increase in the controlling interest led to a change in non-controlling interests in the statement of equity amounting to CHF 3.2 million. The reporting period also saw the integration of Assaloni.com, which was acquired in 2012, in Giletta S.p.A., and the building of a new Giletta LLC production site in Kaluga, Russia, with a local partner.

3 Short-term investments

CHF million	2013	2012
Money market investment	4.9	2.3
Bonds	27.7	53.4
Short-term investments	**32.6**	**55.7**

Changes in fair value recognised in other comprehensive income, net of tax, amounted to CHF 1.0 million (2012: CHF 1.1 million).

4 Receivables

CHF million	Current	Non-current	Total	Current	Non-current	Total
			2013			**2012**
Trade receivables	421.2	1.9	423.1	397.0	4.1	401.1
Notes receivable	16.3	–	16.3	13.7	–	13.7
Trade receivables, net	**437.5**	**1.9**	**439.4**	**410.7**	**4.1**	**414.8**
Other receivables	29.5	1.2	30.7	25.1	1.3	26.4
Prepayments to suppliers	5.2	–	5.2	3.5	–	3.5
Derivative financial instruments	8.5	0.2	8.7	5.5	1.1	6.6
Accrued income	7.4	–	7.4	8.2	–	8.2
Other receivables	**50.6**	**1.4**	**52.0**	**42.3**	**2.4**	**44.7**
Receivables	**488.1**	**3.3**	**491.4**	**453.0**	**6.5**	**459.5**

Ageing analysis of trade receivables

CHF million	2013	2012
Trade receivables, gross	456.3	431.4
Amount provided for	– 16.9	– 16.6
Receivables, net	**439.4**	**414.8**
Not due	337.7	323.8
Not due, amount provided for	– 5.5	– 5.7
Past due, within 30 days	54.3	50.3
Past due, from 31 to 90 days	23.7	26.8
Past due, more than 91 days	40.6	30.5
Past due, amount provided for	– 11.4	– 10.9

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	2013	2012
Balance at 1 January	16.6	16.4
Exchange differences	–	– 0.2
Acquisition/disposal of subsidiaries	0.2	–
Provision for receivables impairment	4.3	5.0
Unused amounts reversed	– 2.5	– 3.1
Receivables written-off during the year as uncollectible	– 1.7	– 1.5
Balance at 31 December	**16.9**	**16.6**

5 Inventories

CHF million	2013	2012
Raw materials and consumables	138.5	139.9
Work in progress	142.9	120.7
Finished goods and goods for resale	351.5	321.5
Inventories	**632.9**	**582.1**
Change of write-downs	6.7	11.1

In the reporting period, CHF 0.3 million was written off directly via the income statement (2012: CHF 0.1 million).

6 Property, plant and equipment

CHF million	Land and buildings	Plant and machinery	Furniture, fixtures and equipment	Prepayments and assets under construction	Total property, plant and equipment
					2013
Cost at 1 January	459.9	429.1	182.0	39.5	1 110.5
Exchange differences	– 2.1	– 1.5	– 0.7	– 0.2	– 4.5
Acquisition/disposal of subsidiaries	21.6	18.4	16.7	0.9	57.6
Additions	40.2	31.1	20.4	40.9	132.6
Disposals	– 5.1	– 12.6	– 17.1	–	– 34.8
Transfers	42.1	8.2	4.9	– 55.2	–
Cost at 31 December	**556.6**	**472.7**	**206.2**	**25.9**	**1 261.4**
Accumulated depreciation at 1 January	193.0	300.1	139.4	–	632.5
Exchange differences	0.3	– 0.2	– 0.3	–	– 0.2
Acquisition/disposal of subsidiaries	1.8	11.2	13.1	–	26.1
Disposals	– 4.9	– 12.1	– 16.4	–	– 33.4
Depreciation for the year	20.6	31.2	14.9	–	66.7
Accumulated depreciation at 31 December	**210.8**	**330.2**	**150.7**	**–**	**691.7**
Net book value at 31 December	**345.8**	**142.5**	**55.5**	**25.9**	**569.7**
Of which leased:					
Cost	34.8	10.5	0.6	–	45.9
Accumulated depreciation	9.8	6.2	0.2	–	16.2
Net book value	25.0	4.3	0.4	–	29.7
Lease obligations (present value)	23.1	4.5	0.6	–	28.2
Insurance value	780.5	668.1	260.2	–	1 708.8

CHF million	Land and buildings	Plant and machinery	Furniture, fixtures and equipment	Prepayments and assets under construction	Total property, plant and equipment
					2012
Cost at 1 January	437.2	409.2	171.9	29.2	1 047.5
Exchange differences	– 2.7	– 2.6	– 0.9	– 0.3	– 6.5
Acquisition/disposal of subsidiaries	– 1.3	– 0.6	– 0.2	–	– 2.1
Additions	11.8	23.4	15.6	43.0	93.8
Disposals	– 1.9	– 11.6	– 8.5	– 0.2	– 22.2
Transfers	16.8	11.3	4.1	– 32.2	–
Cost at 31 December	**459.9**	**429.1**	**182.0**	**39.5**	**1 110.5**
Accumulated depreciation at 1 January	181.9	283.6	132.8	–	598.3
Exchange differences	– 0.9	– 1.2	– 0.4	–	– 2.5
Acquisition/disposal of subsidiaries	– 0.8	– 0.6	– 0.4	–	– 1.8
Disposals	– 1.5	– 11.3	– 7.9	–	– 20.7
Depreciation for the year	14.3	29.6	15.3	–	59.2
Accumulated depreciation at 31 December	**193.0**	**300.1**	**139.4**	**–**	**632.5**
Net book value at 31 December	**266.9**	**129.0**	**42.6**	**39.5**	**478.0**
Of which leased:					
Cost	27.4	0.6	0.2	–	28.2
Accumulated depreciation	8.4	0.3	–	–	8.7
Net book value	19.0	0.3	0.2	–	19.5
Lease obligations (present value)	17.1	0.2	0.2	–	17.5
Insurance value	713.0	659.4	218.5	–	1 590.9

7 Intangible assets

CHF million	Goodwill	Trademarks	Customer relation	Licences/ Patents	Other	Total intangible asssets
						2013
Cost at 1 January	168.9	20.6	39.9	172.0	9.3	410.6
Exchange differences	−4.1	−0.2	−0.9	0.3	−0.1	−4.9
Acquisition/disposal of subsidiaries	8.4	6.7	12.7	8.3	12.8	48.9
Additions	–	–	–	3.7	0.3	4.0
Disposals	–	–	–	−0.8	–	−0.8
Cost at 31 December	**173.2**	**27.1**	**51.7**	**183.5**	**22.3**	**457.8**
Accumulated amortisation at 1 January	95.6	12.0	7.2	128.7	7.9	251.3
Exchange differences	−2.7	−0.1	−0.3	−0.2	−0.1	−3.3
Acquisition/disposal of subsidiaries	–	–	–	3.3	8.5	11.8
Disposals	–	–	–	−0.8	–	−0.8
Amortisation for the year	–	2.2	3.2	11.0	0.9	17.3
Impairment charge	–	–	–	–	–	–
Accumulated amortisation at 31 December	**92.9**	**14.1**	**10.1**	**142.0**	**17.2**	**276.3**
Net book value at 31 December	**80.3**	**13.0**	**41.6**	**41.5**	**5.1**	**181.5**
						2012
Cost at 1 January	173.5	20.6	40.8	171.2	9.5	415.5
Exchange differences	−4.6	−0.4	−0.9	−2.3	–	−8.2
Acquisition/disposal of subsidiaries	–	0.4	–	0.9	–	1.3
Additions	–	–	–	2.4	0.3	2.7
Disposals	–	–	–	−0.2	−0.5	−0.7
Cost at 31 December	**168.9**	**20.6**	**39.9**	**172.0**	**9.3**	**410.6**
Accumulated amortisation at 1 January	98.8	9.5	4.7	120.8	7.8	241.5
Exchange differences	−3.2	−0.2	−0.1	−1.9	−0.1	−5.5
Acquisition/disposal of subsidiaries	–	–	–	–	–	–
Disposals	–	–	–	−0.2	−0.5	−0.7
Amortisation for the year	–	2.7	2.6	10.0	0.7	16.0
Impairment charge	–	–	–	–	–	–
Accumulated amortisation at 31 December	**95.6**	**12.0**	**7.2**	**128.7**	**7.9**	**251.3**
Net book value at 31 December	**73.3**	**8.6**	**32.7**	**43.3**	**1.4**	**159.3**

Goodwill and other intangible assets with indefinite useful lives are allocated to the cash-generating units that are expected to benefit from the respective business combination. At 31 December 2013, Bucher Industries held no other intangible assets with indefinite useful lives. Goodwill is tested for impairment annually or whenever there is an indication of possible impairment. Bucher Industries uses the discounted cash flow (DCF) method to assess the recoverability of goodwill and other intangible assets with indefinite useful lives, based on value in use.

The calculations used projections based on financial budgets approved by management for at least the next three years. Cash flows beyond the budget period were determined using a sales growth rate generally based on the current inflation rate in each country. The discount rates were determined based on the Group's weighted cost of capital adjusted to reflect specific country and currency risks. The cost of equity was determined using the capital asset pricing model (CAPM). The following parameters were used to test significant amounts of goodwill for impairment:

Allocation of goodwill to cash-generating units

CHF million	Growth rates	WACC	Goodwill	Growth rates	WACC	Goodwill
			2013			**2012**
Kuhn North America, Inc., USA	1.2%	10.3%	16.7	2.2%	8.9%	17.2
Kuhn-Geldrop B.V., Netherlands	1.6%	7.9%	8.2	2.9%	7.4%	8.0
Kuhn Krause, Inc., USA	1.2%	10.3%	3.9	2.2%	8.9%	4.0
Kuhn Group			**28.8**			**29.2**
Gmeiner GmbH, Germany	1.2%	8.5%	3.2	2.0%	8.2%	3.2
Giletta S.p.A., Italy	0.8%	11.5%	1.7	2.6%	12.4%	1.7
Bucher Municipal			**4.9**			**4.9**
Bucher Hidráulica Ltda., Brazil	5.7%	23.5%	4.6			–
Bucher Hydraulics			**4.6**			**–**
Emhart Glass SA, Switzerland	0.7%	8.5%	4.5	2.5%	8.1%	4.4
Shandong Sanjin Glass Machinery Co. Ltd, China	3.2%	13.1%	17.3	1.7%	9.5%	17.3
Bucher Emhart Glass			**21.8**			**21.7**
Bucher Landtechnik AG, Switzerland	1.0%	6.3%	1.2	0.0%	5.7%	1.2
Jetter AG, Germany	1.2%	8.5%	3.1			–
Bucher Specials			**4.3**			**1.2**
Bucher Industries US Inc., USA	1.2%	10.9%	15.9	2.2%	9.5%	16.3
Other			**15.9**			**16.3**
Goodwill			**80.3**			**73.3**

Due to the favourable business performance and the cautiously optimistic outlook, the annual impairment tests of intangible assets, as in the previous year, did not indicate any need for impairment charges on capitalised goodwill for 2013. A reduction in the growth rate of 2.6 percentage points at Sanjin, China, and Bucher Hydráulica, Brazil, would result in the values in use just covering the carrying amounts. For the other positions, neither an increase of 0.5 percentage points in the weighted cost of capital nor a reduction in the residual value growth rate to 0% would give rise to impairment of a cash-generating unit.

8 Other financial assets

CHF million	2013	2012 [1)]
Pension asset	15.3	15.0
Long-term loans	16.4	18.1
Other	1.3	1.3
Other financial assets	**33.0**	**34.4**

1) 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

As in 2012, employer contribution reserves totalling CHF 13.5 million were capitalised in pension fund assets as a result of applying IAS 19.

9 Investments in associates

CHF million	2013	2012 [1)]
Balance at 1 January	16.1	14.6
Exchange differences	0.2	– 0.1
Additions	–	1.3
Disposals	– 8.4	–
Share of profit/(loss)	1.2	0.6
Share of other comprehensive income	–	– 0.1
Revaluation	2.7	–
Dividends received	– 0.3	– 0.2
Balance at 31 December	**11.5**	**16.1**

1) 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

At the end of September, Bucher Industries presented a voluntary public tender offer to all shareholders of Jetter AG, Ludwigsburg, Germany, at a price of EUR 7.00 per share. Together with the 29.98% interest already held, Bucher Industries now owns 77.35% of the share capital of Jetter AG. Until 31 October 2013, Jetter AG was classified as an associate and valued using the equity method. Since 1 November 2013, Jetter AG has been fully consolidated. After consideration of accumulated foreign exchange differences, a gain of CHF 0.2 million resulted, which was recognised under share of profit/(loss) of associates. For further information see note 2.

Aggregated financial information – associates

CHF million	2013	2012
Profit/(loss) for the year	5.0	4.6
Other comprehensive income	–	– 0.3
Total comprehensive income	**5.0**	**4.3**

10 Financial liabilities

CHF million	2013	2012
Bond and private placements	219.7	252.6
Other bank borrowings	182.8	203.4
Finance lease liabilities	28.2	17.5
Loans and other financial liabilities	25.1	26.2
Financial liabilities	**455.8**	**499.7**
Current portion	283.4	152.6
Non-current portion	172.4	347.1

Finance lease liabilities

CHF million	Within 1 year	From 1 to 5 years	More than 5 years	2013	2012
Minimum lease payments, within 1 year	5.5	16.8	9.2	31.5	19.5
Finance charge	0.8	1.9	0.6	3.3	2.0
Lease liabilities	**4.7**	**14.9**	**8.6**	**28.2**	**17.5**

Terms of significant financial liabilities

CHF million	Currency	Interest rate	Term	Volume	Used/ Nominal amount	Volume	Used/ Nominal amount
					2013		**2012**
Fixed-rate US private placement	CHF	4.08%	2003 – 2013	–	–	33.3	33.3
Fixed-rate US private placement	CHF	4.29%	2003 – 2015	20.0	20.0	20.0	20.0
Bond	CHF	3.13%	2009 – 2014	200.0	200.0	200.0	200.0
Syndicated loan	CHF	Libor + 0.80%	2011 – 2016	200.0	–	200.0	–
Committed credit lines	CHF	div.	div.	215.0	150.0	260.0	190.0
Total				**635.0**	**370.0**	**713.3**	**443.3**

In the reporting year, the Group had committed credit facilities totalling CHF 415.0 million (2012: CHF 460.0 million), arranged with twelve different financial institutions. The bilateral loans bear interest at rates of between 0.65% and 3.09% and are due for repayment from 2014 to 2018. The syndicated loan carries an interest rate of Libor plus an interest margin based on predefined levels of the debt payback period ratio (net debt to EBITDA). The financial covenants are reviewed every six months. As of the reporting date on 31 December 2013, all the credit conditions had been fulfilled.

11 Provisions

CHF million	Warranties	Legal claims	Other	Total 2013	Total 2012
Balance at 1 January	39.3	13.4	18.8	71.5	64.0
Additional provisions	33.2	4.5	4.1	41.8	49.5
Unused amounts reversed	− 3.3	− 3.4	− 2.0	− 8.7	− 9.5
Used during year	− 28.1	− 1.9	− 4.6	− 34.6	− 32.1
Acquisition/disposal of subsidiaries	0.8	–	0.6	1.4	–
Exchange differences	–	–	0.1	0.1	− 0.4
Balance at 31 December	**41.9**	**12.6**	**17.0**	**71.5**	**71.5**
Current portion	40.7	11.4	8.2	60.3	60.6
Non-current portion	1.2	1.2	8.8	11.2	10.9

A provision for product warranties is recognised when the products are sold, based on estimated claims. The timing of cash outflows depends on the dates when warranty claims are filed and/or the relevant cases settled. Warranty costs incurred are charged against the provision 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, including environmental protection measures. Of the provisions of CHF 5.2 million set aside in 2012 for the restructuring of Bucher Emhart Glass, all but CHF 1.7 million was used in the reporting year. Cash outflows to cover the remaining amount are expected in the next reporting period.

12 Other payables

CHF million	2013	2012
Accruals and deferred income	147.9	138.3
Social security and pensions	26.1	25.5
Sales and capital tax liabilities	20.6	21.4
Derivative financial instruments	2.4	1.4
Other liabilities	29.9	28.3
Other payables	**226.9**	**214.9**
Current portion	214.3	200.2
Non-current portion	12.6	14.7

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 Share capital

		2013	2012
Par value	CHF	0.20	0.20
Outstanding shares	number	10 022 093	9 784 927
Treasury shares	number	227 907	465 073
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	2013	Number of shares	2012
Balance at 1 January	465 073	21.2	798 494	69.4
Share buy-back	–	–	22 730	4.0
Cancellation of shares	–	–	– 315 900	– 50.2
Sales of treasury shares	– 164 536	– 7.4	– 5 555	– 0.3
Reissued for share-based payment schemes	– 72 630	– 3.4	– 34 696	– 1.7
Balance at 31 December	**227 907**	**10.4**	**465 073**	**21.2**
Reserved for written call options	20 000		55 000	

Earnings and dividend per share

	2013	2012[1]
Profit/(loss) attributable to owners of Bucher Industries (CHF million)	194.5	151.7
Average number of shares outstanding (undiluted)	9 904 173	9 770 235
Average number of shares outstanding (diluted)	9 957 904	9 816 312
Basic earnings per share (CHF)	19.64	15.52
Diluted earnings per share (CHF)	19.53	15.45
Dividend per registered share (CHF)[2]	6.50	5.00
Total dividend (CHF million)[2]	66.6	51.3

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.
[2] 2013: 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. The inclusion of outstanding share options diluted earnings per share by CHF 0.11 (2012: CHF 0.07).

14 Employment costs

CHF million

	2013	2012[1]
Wages and salaries	463.4	441.2
Share awards	2.5	2.3
Share option plan	0.4	1.0
Social security costs	82.0	79.1
Defined contribution costs	26.2	23.6
Defined benefit costs	10.6	8.1
Other employment costs	67.8	68.9
Employment costs	**652.9**	**624.2**

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

The revision of the remuneration package in 2010 resulted in the replacement of the stock option plans by the Bucher share plans. Accordingly, no more options have been awarded since then. The costs of share option plans were recognised as employment costs pro rata over the periods to vesting, based on options granted in previous periods. In October 2013, the periods to vesting expired on the last share options issued. Other employment costs comprise incidental costs of staff recruitment, training and development as well as external staff costs.

15 Other operating income

CHF million	2013	2012
Own work capitalised	1.7	0.8
Gain on sale of non-current assets and disposals	7.5	0.7
Interest income from operating lease receivables	0.1	0.7
Other income	18.9	19.2
Other operating income	**28.2**	**21.4**

Other operating income comprises revenue from sales of goods and services that are outside the normal course of the Group's business. The gain on sale of non-current assets and disposals essentially comprises the gain on the sale of the ancillary business with hand-driers and the gain on the sale of land to the pension fund foundation in Switzerland.

16 Other operating expenses

CHF million	2013	2012
Energy, maintenance and repairs	103.4	91.9
Charges, taxes, levies and consulting fees	36.2	34.9
Marketing and distribution costs	121.1	120.4
Insurance expenses	6.8	6.4
Operating leasing expenses	10.5	10.2
Miscellaneous operating expenses	77.2	63.5
Other operating expenses	**355.2**	**327.3**

Charges, taxes, levies and consulting fees include CHF 18.4 million (2012: CHF 17.7 million) in capital tax. Other operating expenses include, inter alia, operating foreign exchange items and changes in necessary provisions for operating liabilities that cannot be charged to an appropriate expense account.

17 Development costs

Development costs of CHF 90.5 million (2012: CHF 80.8 million) were charged to the income statement for 2013. In the reporting year, development costs of CHF 0.1 million (none) were capitalised. 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.

18 Net financial items

CHF million	2013	2012
Interest expense on financial liabilities	−16.7	−16.9
Other finance costs	−1.4	−1.3
Finance costs	**−18.1**	**−18.2**
Interest income on financial assets	4.5	4.1
Net gain on financial instruments	6.7	1.3
Financial foreign exchange gains and losses	−6.9	−0.8
Other finance income	0.4	0.4
Finance income	**4.7**	**5.0**
Share of profit/(loss) of associates	2.0	0.6
Net financial items	**−11.4**	**−12.6**
Of which financial items relating to:		
Financial instruments; at amortised cost	−26.4	−20.3
Financial instruments; fair value through profit or loss	6.5	6.0
Financial instruments; available-for-sale	6.5	1.1

In the reporting year, a realisation on the sale of "available-for-sale" securities amounting to CHF 6.5 million was transferred from other comprehensive income to the income statement (2012: CHF 1.1 million). As in the previous year, no other borrowing costs were capitalised.

19 Income tax expense

Ordinary income tax comprises tax paid or to be paid on the individual companies' taxable profits, calculated in accordance with legislation in the various countries. 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 rates.

Current income tax

CHF million	2013	2012[1)]
Current income tax	76.8	68.4
Deferred income tax	2.7	– 5.3
Income tax expense	**79.5**	**63.1**
Reconciliation:		
Profit before tax	275.7	219.1
Weighted average tax rate	33.2%	33.5%
Theoretical income tax charge	**91.5**	**73.3**
Utilisation of unrecognised tax loss carryforwards	– 1.2	– 4.1
Reassessment of tax loss carryforwards with tax asset adjustment	– 0.9	2.4
Changes in valuation allowances on losses and on deferred tax assets	2.2	0.5
Expenses not deductible for tax purposes/income not subject to tax	– 3.1	– 3.7
Under/(over) provided in prior years	– 4.9	– 1.9
Other differences	– 4.1	– 3.4
Effective income tax expense	**79.5**	**63.1**
Effective tax rate	28.8%	28.8%

1) 2012: retrospective restatement owing to first application of IAS 19 "Employee benefits (revised)".

Deferred income tax

CHF million	Assets	Liabilities	Assets	Liabilities
		2013		**2012[1)]**
Property, plant and equipment	0.6	24.7	0.5	22.6
Other financial and non-current assets	5.0	25.7	3.4	20.9
Inventories	31.6	6.9	30.6	3.4
Other current assets	2.4	12.6	1.9	10.3
Provisions	5.1	5.9	3.6	3.3
Other liabilities	21.7	2.4	18.5	2.5
Tax loss carryforwards	7.5	–	4.6	–
Deferred income tax assets and liabilities	**73.9**	**78.2**	**63.1**	**63.0**
Offset amounts	– 23.7	– 23.7	– 19.1	– 19.1
Deferred income tax assets	**50.2**		**44.0**	
Deferred income tax liabilities		**54.5**		**43.9**

1) 2012: retrospective restatement owing to first application of IAS 19 "Employee benefits (revised)".

In the reporting period, current income tax of CHF 2.7 million arising from the sale of treasury shares was recognised directly in equity. Deferred income tax amounting to CHF 6.3 million arising from the retrospective application of IAS 19 “Employee benefits (revised)” was recognised in the 2012 opening balance of consolidated equity. The tax expenses in other comprehensive amounted to CHF 0.8 million and were allocated to “Change in actuarial gains/(losses) on defined benefit pension plans”, “Change in fair value reserve” and “Hedge accounting”. In accordance with the exemption in IAS 12, the Group does not provide for deferred income tax on investments in group entities.

Movements in deferred income tax balances

CHF million	Assets	Liabilities	Assets	Liabilities
		2013		**2012[1]**
Balance at 1 January	44.0	43.9	40.4	46.5
Charged/credited to income statement	4.1	6.8	2.0	– 3.3
Charged/credited to other comprehensive income	– 0.3	– 1.1	2.3	0.9
Acquisition/disposal of subsidiaries	2.7	5.0	–	0.1
Exchange differences	– 0.3	– 0.1	– 0.7	– 0.3
Balance at 31 December	**50.2**	**54.5**	**44.0**	**43.9**

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

Tax loss carryforwards

CHF million	2013	2012
Total tax loss carryforwards	123.6	99.8
Of which recognised in deferred income tax	49.0	38.2
Unrecognised tax loss carryforwards	**74.6**	**61.6**
Of which expiring:		
Within 1 year	–	2.4
From 1 to 5 years	38.5	26.0
More than 5 years	8.6	5.9
Available indefinitely for offset	27.5	27.3
Tax effect on unrecognised tax loss carryforwards	13.1	12.2

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which they can be utilised. This also includes deferred tax assets arising from tax loss carryforwards and expected tax credits.

20 Retirement benefits

Most employees are covered by pension schemes in accordance with the relevant national regulations. The majority of these pension schemes are defined contribution plans. The Group also operates a number of defined benefit plans. The largest pension schemes are those in Switzerland, covering 80% 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, 6% of the plan assets) and France (6% of the retirement benefit obligations, 6% of the plan assets).

Swiss plans The minimum legal requirements for pension schemes are governed by the Federal Law on Occupational Retirement, Survivors’ and Disability Pension Plans (BVG). Among its stipulations are that pension plans must be managed by independent, legally separate units and must be subject to state supervision. The supreme governing body is the foundation board. It comprises equal numbers of employee and employer representatives. Under the terms of statutory provisions and pension plan regulations, the foundation board is under obligation to act in the interests of the foundation and the beneficiaries. Plan participants are insured against the economic consequences of old age, invalidity and death. Contributions to the pension scheme are funded by employee and employer contributions, the latter bearing at least 50% of the necessary contribution. In the event of a deficit, additional contributions can be levied from both employer and employee to make up the shortfall. Other measures may include adjustment of the pension commitment by means of changes to the conversion rates. The joint liability of employer and employee in contributing to any restructuring measures is specified by the BVG.

“Bucher-Guyer”, the largest Swiss pension plan, has the legal form of a semi-autonomous foundation. The foundation covers all underwriting risks except death and invalidity, which are separately reinsured. The risks covered are chiefly demographic (life expectancy) and financial (discount rate, future salary increases and rates of return on plan assets) in nature. These risks are regularly reassessed by the foundation board. It is also responsible for the investment of assets. The investment strategy is reviewed at least once a year by the foundation board, taking account of targets for returns, benefit obligations and the risk capacity of the foundation. Decisions take account of significant market trends and changes in the composition of the plan participants. Responsibility for implementing and monitoring the investment strategy and investment guidelines is delegated to an investment committee. Plan assets are managed as part of a long-term investment strategy by a number of external fund managers.

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.

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 and do not hold assets separately from the company. 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
			2013			**2012[1]**
Fair value of plan assets	295.7	41.4	337.1	271.2	38.0	309.2
Present value of funded obligations	−296.9	−53.1	−350.0	−269.3	−49.2	−318.5
Funding surplus/(deficit)	**−1.2**	**−11.7**	**−12.9**	**1.9**	**−11.2**	**−9.3**
Present value of unfunded obligations	–	−21.1	−21.1	–	−20.4	−20.4
Impact of minimum funding requirement/asset ceiling	−4.6	–	−4.6	−2.8	–	−2.8
Surplus/(deficit)	**−5.8**	**−32.8**	**−38.6**	**−0.9**	**−31.6**	**−32.5**
Other financial assets	13.5	0.3	13.8	13.5	–	13.5
Retirement benefit obligations	−19.3	−33.1	−52.4	−14.4	−31.6	−46.0

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

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 defined benefit obligations and plan assets
				2013
Balance at 1 January	**309.2**	**– 338.9**	**– 2.8**	**– 32.5**
Current service cost		– 9.0		– 9.0
Interest income/(expense)	6.2	– 7.2	– 0.1	– 1.1
Administration expenses, taxes and premium paid	– 0.5			– 0.5
Defined benefit expense recognised in profit or loss	**5.7**	**– 16.2**	**– 0.1**	**– 10.6**
Return on plan assets (excluding interest based on discount rate)	13.8			13.8
Actuarial (gains)/losses arising from changes in demographic assumptions		– 19.0		– 19.0
Actuarial (gains)/losses arising from changes in financial assumptions		18.2		18.2
Other actuarial (gains)/losses		– 8.0		– 8.0
Change in asset ceiling excluding amounts included in interest expenses			– 1.7	– 1.7
Defined benefit expense recognised in other comprehensive income	**13.8**	**– 8.8**	**– 1.7**	**3.3**
Employer contributions	7.3			7.3
Employee contributions	4.5	– 4.5		–
Benefits paid	– 9.2	10.2		1.0
Plan curtailments/settlements	–	– 0.4		– 0.4
Acquisitions and disposals	5.9	– 12.6		– 6.7
Exchange differences	– 0.1	0.1		–
Balance at 31 December	**337.1**	**– 371.1**	**– 4.6**	**– 38.6**

For the 2014 business year, contributions for defined benefit pension plans are expected to total CHF 11.1 million (2013: CHF 10.2 million).

CHF million	Fair value of plan assets	Present value of retirement obligation	Impact of minimum funding requirement/ asset ceiling	Total defined benefit obligations and plan assets
				2012[1]
Balance at 1 January	**290.2**	**−307.4**	**−4.6**	**−21.8**
Current service cost		−6.6		−6.6
Interest income/(expense)	7.3	−8.3	−0.1	−1.1
Administration expenses, taxes and premium paid	−0.4			−0.4
Defined benefit expense recognised in profit or loss	**6.9**	**−14.9**	**−0.1**	**−8.1**
Return on plan assets (excluding interest based on discount rate)	12.0			12.0
Actuarial (gains)/losses arising from changes in demographic assumptions		−0.8		−0.8
Actuarial (gains)/losses arising from changes in financial assumptions		−30.7		−30.7
Other actuarial (gains)/losses		6.0		6.0
Change in asset ceiling excluding amounts included in interest expenses			1.9	1.9
Defined benefit expense recognised in other comprehensive income	**12.0**	**−25.5**	**1.9**	**−11.6**
Employer contributions	9.4			9.4
Employee contributions	4.4	−4.4		–
Benefits paid	−11.0	11.8		0.8
Plan curtailments/settlements	−2.4	1.1		−1.3
Exchange differences	−0.3	0.4		0.1
Balance at 31 December	**309.2**	**−338.9**	**−2.8**	**−32.5**

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

Categories of plan assets

CHF million	Swiss	International	Total	%	Swiss	International	Total	%
				2013				2012[1]
Equities	71.1	14.2	85.3	25.3	66.3	12.1	78.4	25.4
Bonds	82.9	4.5	87.4	25.9	73.1	6.1	79.2	25.6
Assurances	62.0	21.1	83.1	24.7	54.8	17.2	72.0	23.3
Property	60.3	0.5	60.8	18.0	57.5	0.4	57.9	18.7
Cash	3.8	1.0	4.8	1.4	4.9	2.1	7.0	2.3
Other financial assets	15.6	0.1	15.7	4.7	14.6	0.1	14.7	4.7
Plan assets	**295.7**	**41.4**	**337.1**	**100.0**	**271.2**	**38.0**	**309.2**	**100.0**

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

Breakdown of defined benefit obligations by category

CHF million	Swiss	International	Total	Swiss	International	Total
			2013			2012
Obligation active insured members	200.6	44.1	244.7	199.4	42.3	241.7
Obligation former members with vested benefits	–	14.5	14.5	–	13.7	13.7
Obligation members receiving pensions	97.9	15.5	113.4	74.6	13.6	88.2
Obligation taxes and risk sharing	−1.6	0.1	−1.5	−4.7	–	−4.7
Total	**296.9**	**74.2**	**371.1**	**269.3**	**69.6**	**338.9**
Term of obligations in years (duration)	16.2	13.4	15.6	14.1	13.3	13.9

Actuarial assumptions

Weighted averages in %	Swiss	International		Swiss	International	
			2013			2012
Discount rate	2.1	3.8	2.4	1.8	3.4	2.1
Future salary increases	1.0	2.4	1.1	1.0	1.1	1.1
Future pension increases	–	2.2	2.2	–	2.2	2.2
Inflation rate	1.0	2.3	1.3	1.0	2.3	1.3

Mortality tables

	Mortality table	Currently age 65	Currently age 45	Currently age 65	Currently age 45
			2013		**2012**
Life expectancy at age 65 for a male member					
Switzerland	BVG 2010 G/P	21.3	23.1	19.8	21.6
France	TF00-02	18.1	20.2	18.1	20.2
North America	RP2000	19.1	19.1	19.1	19.1
Life expectancy at age 65 for a female member					
Switzerland	BVG 2010 G/P	23.8	25.5	22.1	23.9
France	TF00-02	22.6	24.4	22.6	24.4
North America	RP2000	21.0	21.0	21.0	21.0

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	Inter-national	Total
			2013
Discount rate			
Increase by 25 basis points	–10.7	–1.7	–12.4
Decrease by 25 basis points	10.9	1.9	12.8
Future salary increases			
Increase by 25 basis points	0.8	0.1	0.9
Decrease by 25 basis points	–0.8	–0.1	–0.9
Life expectancy			
Increase in longevity by one additional year	8.8	1.1	9.9

21 Share-based payments/share option plan

Shares awarded under the Bucher share plans are subject to a vesting period of three years. The costs are recognised in the income statement on an accrual basis, with a corresponding entry 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.

Bucher Executive Share Plan The Bucher Executive Share Plan is a share-based, performance-related component of remuneration for the members of group management. The financial targets for awarding shares are set by the board of directors at the beginning of each reporting year based on 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 base salary and on the achievement of the Group's annual financial "earnings per share" target. The number of shares to be awarded is calculated using the average share price for the reporting year and valued at the average share price during the first three weeks of January in the financial year following the reporting year.

Bucher Share Plan The Bucher Share Plan is a share-based, performance-related component of remuneration for the members of group management, division managements and selected specialists. The amount of the company's investment depends on the amount of the personal investments that eligible employees make in the company's shares and on the achievement of the Group's annual financial "earnings per share" target set by the board of directors for the Bucher share plans. The relevant number of shares is calculated and valued using the average share price during the first three weeks of January in the financial year following the reporting year.

Eligible employees were awarded a total of 9 494 shares for the reporting year (2012: 11 261 shares). Shares under the Bucher share plans were valued at a share price of CHF 266.00 (CHF 189.00) and represented a total value of CHF 2.5 million (CHF 2.1 million). The number of shares awarded under the Bucher Executive Share Plan was calculated using a share price of CHF 226.00 (CHF 173.50) and those under the Bucher Share Plan using a share price of CHF 266.00 (CHF 189.00).

Share option plans No share options have been granted since 2010. Share options granted in respect of previous periods remain valid as originally provided. One option entitles the holder to purchase one registered share of Bucher Industries AG. The options are not negotiable and have a life of ten years. In October 2013, the periods to vesting expired on the last share options issued.

Movements in the number of share options outstanding

	Number of options	Average exercise price in CHF	Number of options	Average exercise price in CHF
		2013		**2012**
Outstanding at 1 January	202 240	148.7	228 780	147.2
Exercised	– 59 285	131.9	– 22 040	121.9
Expired	– 150	115.0	– 4 500	202.1
Outstanding at 31 December	**142 805**	**155.7**	**202 240**	**148.7**
Exercisable	142 805		188 290	

The expense recognised as employment costs in the reporting period was CHF 0.4 million (2012: CHF 1.0 million). The average share price for options exercised was CHF 226.00 (CHF 173.50).

Option expiry dates

	Number of options	Average exercise price in CHF	Number of options	Average exercise price in CHF
		2013		**2012**
2015	9 000	108.0	22 330	108.0
2016	17 000	116.0	33 300	116.0
2017	44 405	221.0	49 800	221.0
2018	34 050	149.0	48 960	149.0
2019	38 350	115.0	47 850	115.0
Outstanding at 31 December	**142 805**	**155.7**	**202 240**	**148.7**

22 Related party transactions

Key management remuneration

CHF million	2013	2012
Salaries	5.6	5.4
Post-employment benefits	1.5	1.4
Share awards	1.9	1.7
Share option plan	0.1	0.3
Key management remuneration	**9.1**	**8.8**

Salaries include variable remuneration, fees and expense allowances paid in cash. For the reporting year, group management members were awarded 5 911 registered shares with a par value of CHF 0.20 each in Bucher Industries AG (2012: 7 174 registered shares) under the share plans. The costs of the previous share option plan are based on the fair value for the staggered exercise periods. No new options were granted in the reporting year. No directors, group management members or persons connected with them received any additional remuneration, fees or loans during the year. At the year end, there were no loans outstanding to the company's governing bodies. Directors' fees were paid in the form of cash and shares.

Remuneration to former directors and group management members No former directors and group management members or persons connected with them received any remuneration or fees during the year.

Year-end balances with related parties

CHF million	2013	2012[1)]
Receivables from pension funds	15.3	15.0
Receivables from associates	0.3	0.2
Payables to pension funds	2.9	4.3
Payables to associates	1.3	3.2
Payables to other related parties	1.1	–

1) 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

In 2013, products worth CHF 61.7 million (2012: CHF 66.3 million) were purchased from associates. The sales generated with associates amounted to CHF 2.1 million (CHF 1.5 million). Cost of materials and consumables used with associated companies amounted to CHF 1.4 million. Sale of land to the pension fund foundation in Switzerland resulted in a gain of CHF 3.4 million.

23 Financial risk management

Risk policy and organisation The Group's international operations expose it to a variety of financial risks, such as credit risk, liquidity risk and price or market risk. Bucher Industries has a functional and effective risk management system in place, employing clearly defined procedures for efficient risk management and mitigation. Risk management is an integral part of the planning and implementation of the business strategy. Responsibilities for risk management are clearly assigned and regulated. The board of directors establishes the risk management policy guidelines and sets the risk limits for the Group. In addition, it monitors compliance with the defined risk management mechanisms and their application. Group management is responsible for ensuring that the risk management policy approved by the board of directors is implemented operationally within the Group and delegates the necessary duties. It monitors compliance with the risk limits and decides what risk transfer instruments are used. In addition, group management ensures the soundness of the risk management process and adequate technical resources to keep the risk management system functioning at all times. Group treasury qualifies and quantifies all financial risks in the Group using modern risk analysis systems and methods, and manages them in accordance with the criteria set out in the risk policy. The divisions and their respective operational units are responsible for managing operational risks.

Directors' risk report Bucher Industries applies a risk management and control system that identifies the Group's risks and allows the board of directors and group management to realistically assess, monitor and manage the risks. Identifiable risks are classified according to their likelihood and impact and are covered in the risk report prepared annually. The board of directors analyses the risk report from group management in detail, discusses the proposed measures and adapts them where necessary. The directors and group management receive monthly and/or quarterly information from the management information system (MIS), giving them an overview of the status of performance and financial results as well as information and assessments concerning aspects of risk and capital management. Within the framework of the internal control system, the control activities for the Group have been defined within financial reporting to allow the financial risks to be identified, monitored and avoided. In the case of financial risks, the Group differentiates between credit, liquidity and market risks.

Carrying amounts/fair values of 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	Fair value
						2013
Cash and cash equivalents	–	423.1	–		**423.1**	423.1
Short-term investments	27.7	4.9	–		**32.6**	32.6
Trade receivables	–	–	439.4		**439.4**	439.4
Other receivables	–	–	30.7		**30.7**	30.7
Other financial assets	0.2	–	17.5		**17.7**	17.7
Trade payables		–	−261.2		**−261.2**	−261.2
Other liabilities		–	−29.9		**−29.9**	−29.9
Financial liabilities		–	−455.8		**−455.8**	−466.1
Non-derivative financial instruments	**27.9**	**428.0**	**−259.3**		**196.6**	**186.3**
Forward currency contract (asset)		6.7		1.6	**8.3**	8.3
Forward currency contract (liability)		−1.9		−0.4	**−2.3**	−2.3
Interest rate contract (asset)		0.4		–	**0.4**	0.4
Interest rate contract (liability)		−0.1		–	**−0.1**	−0.1
Derivative financial instruments		**5.1**		**1.2**	**6.3**	**6.3**
						2012
Cash and cash equivalents	–	278.7	145.9		**424.6**	424.6
Short-term investments	53.4	2.3	–		**55.7**	55.7
Trade receivables	–	–	414.8		**414.8**	414.8
Other receivables	–	–	26.4		**26.4**	26.4
Other financial assets	0.2	–	19.2		**19.4**	19.4
Trade payables		–	−238.4		**−238.4**	−238.4
Other liabilities		–	−28.3		**−28.3**	−28.3
Financial liabilities		–	−499.7		**−499.7**	−517.6
Non-derivative financial instruments	**53.6**	**281.0**	**−160.1**		**174.5**	**156.6**
Forward currency contract (asset)		3.8		2.8	**6.6**	6.6
Forward currency contract (liability)		−1.3		−0.1	**−1.4**	−1.4
Derivative financial instruments		**2.5**		**2.7**	**5.2**	**5.2**

Fair Values With the exception of contingent considerations of CHF 6.5 million, the fair values disclosed are based on observable market data at the end of the reporting period (level 2). The short-term investments were similarly classified as level 2 (2012: level 1). There is no observable market data available regarding the contingent considerations classified as other liabilities. The valuation is primarily based on specific data from the Kuhn Krause, USA, and Bucher Hidráulica, Brazil, acquisitions (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 Kuhn Krause, USA, until 2014, and for Bucher Hidráulica, Brazil, until 2016. In the case of Bucher Hidráulica, the payments have an upper limit and the maximum amount that can be paid out is CHF 3.2 million. Revaluation of the payment obligations led to a decrease of CHF 1.3 million, which was recognised under other operating expenses.

Contingent considerations

CHF million

	2013	2012
Balance at 1 January	7.2	4.7
Acquisition/disposal of subsidiaries	1.3	–
Revaluation	− 1.3	2.6
Paid during year	− 0.4	− 0.2
Exchange differences	− 0.3	0.1
Balance at 31 December	6.5	7.2

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 analysis 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, the calculation of the provision for impairment and movements in the provision are set out in note 4.

Bucher Industries invested its free cash and cash equivalents in the form of short-term money-market investments with banking institutions that have a first-class international risk rating. 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. Group treasury is responsible for liquidity management. In its function as an in-house bank, its role is to provide the Group with sufficient liquidity at all times and in the currency required. The necessary funds are raised as and when required in the money and capital markets. 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 obligations.

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.

Liquidity analysis

CHF million	Within 1 year	From 1 to 5 years	More than 5 years	Total	Carrying amount
					2013
Trade payables	– 261.2	–	–	**– 261.2**	– 261.2
Other liabilities	– 21.4	– 2.5	– 6.5	**– 30.4**	– 29.9
Financial liabilities	– 292.2	– 171.6	– 10.9	**– 474.7**	– 455.8
Non-derivative financial instruments	**– 574.8**	**– 174.1**	**– 17.4**	**– 766.3**	**– 746.9**
Forward currency contract (asset)	582.9	53.4	–	**636.3**	
Forward currency contract (liability)	– 577.0	– 53.3	–	**– 630.3**	
Interest rate contract (asset)	0.4	–	–	**0.4**	
Interest rate contract (liability)	– 0.1	–	–	**– 0.1**	
Derivative financial instruments	**6.2**	**0.1**	**–**	**6.3**	**6.3**
					2012
Trade payables	– 238.4	–	–	**– 238.4**	– 238.4
Other liabilities	– 17.9	– 4.7	– 5.9	**– 28.5**	– 28.3
Financial liabilities	– 165.7	– 355.8	– 5.5	**– 527.0**	– 499.7
Non-derivative financial instruments	**– 422.0**	**– 360.5**	**– 11.4**	**– 793.9**	**– 766.4**
Forward currency contract (asset)	499.3	57.9	–	**557.2**	
Forward currency contract (liability)	– 495.2	– 56.8	–	**– 552.0**	
Derivative financial instruments	**4.1**	**1.1**	**–**	**5.2**	**5.2**

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

Foreign currency risk Foreign currency risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency other than the local entity's functional currency. 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. Hedging transactions are entered into only with financial institutions that have first-class credit ratings. Outstanding derivative financial instruments are recorded as current or non-current other receivables or payables as applicable. Derivative financial instruments are measured at fair value. Where hedge accounting is applied, value fluctuations are recognised in other comprehensive income and otherwise in the income statement. When the underlying transaction has been booked or the conditions for hedge accounting no longer apply, the corresponding amounts accumulated in other comprehensive income are transferred to the income statement. In the course of the reporting year, CHF 5.5 million (2012: CHF 1.6 million) was transferred 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). This translation risk is not hedged. The following exchange rates were used to translate the principal currencies in the Group into Swiss francs:

	Income statement average rates		Balance sheet closing rates	
	2013	**2012**	**2013**	**2012**
1 EUR	1.2274	1.2052	1.2276	1.2072
1 GBP	1.4486	1.4818	1.4725	1.4792
1 USD	0.9233	0.9326	0.8901	0.9150
1 BRL	0.4289	0.4793	0.3768	0.4465
1 AUD	0.8913	0.9672	0.7960	0.9497
1 CNY	0.1501	0.1480	0.1470	0.1468
100 SEK	14.1700	13.8600	13.8600	14.0700

Interest and price risk The Group invested in money market instruments and bonds in compliance with the Group's investment guidelines. The interest and price risk associated with these positions was monitored on an ongoing basis.

Value at risk Value at risk (VaR) is a measure used to quantify likely future changes in the value of financial items. VaR shows the maximum loss in value of a risk factor portfolio that could arise with a given probability (confidence level) over a specific holding period. 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 figures are based on a confidence level of 90% and a holding period of 30 days.

CHF million

	2013	2012
Foreign currency risk	– 9.8	– 6.4
Interest risk	– 0.9	– 0.7
Correlation	4.9	5.7
Total VaR	**– 5.8**	**– 1.4**

The significant increase in the overall VaR measures is essentially due to the marked increase in interest rate and currency volatility compared with the previous year. The lower correlation effects led in the reporting period to a significantly higher risk contribution from foreign currency positions. Moreover, the interest risk was increased by long-term follow-up financing contracts.

24 Capital management

The capital managed by Bucher Industries represents consolidated equity. The Group's objectives when managing its capital structure are to:

- ensure that the Group will have sufficient liquidity to meet its financial obligations at all times, while maintaining a healthy and solid balance sheet structure;
- secure adequate credit facilities and maintain its high credit rating;
- ensure the necessary financial flexibility to fund organic growth, as well as future capital expenditure and acquisitions;
- provide an adequate return to capital providers commensurate with the level of risk.

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.

By continuously monitoring the ratios set out below, Bucher Industries ensures that the appropriate and necessary action to adjust equity will be taken in a timely manner if required.

	2013	2012[1)]
Interest coverage ratio (EBITDA to net interest expense)	30.5	24.1
Debt payback period (net debt to EBITDA)	–	0.1
Gearing ratio (net debt to equity)	–	2.2%
Equity ratio (equity to total assets)	44.1%	39.4%
Quick ratio (current assets less inventory to current liabilities)	90.1%	103.6%

1) 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

25 Contingent liabilities

Contingent liabilities amounting to CHF 3.2 million (2012: CHF 2.0 million) consist of guarantees given in respect of goods sold and services provided. The amount represents the maximum amount of the obligations assumed. It is not anticipated that any outflows of funds will arise from these contingent liabilities.

26 Pledged assets

The Group had no assets pledged in the reporting year (2012: CHF 0.5 million).

27 Commitments

Fixed-term operating leases

CHF million

	2013	2012
Minimum lease payments, within 1 year	7.7	7.2
Minimum lease payments, from 1 to 5 years	14.3	14.4
Minimum lease payments, more than 5 years	12.8	13.2
Minimum lease payments	**34.8**	**34.8**

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

Other commitments As in the previous year, the Group did not enter into any commitments to purchase plant and equipment.

28 Events after the reporting period

On 28 February 2014, the board of directors approved the consolidated financial statements for publication, subject to formal approval by the annual general meeting on 10 April 2014.

When the consolidated financial statements were finalised on 28 February 2014, neither the board of directors nor group management was aware of any events that would have a material impact on the consolidated financial statements presented.

29 Group companies

Company, place of incorporation	Country	Currency	Share capital	Division	Activities			Group interest % 2013	2012
Bucher Industries Ltd, Niederweningen	CH	CHF	2 050 000	O			S		
Bucher-Guyer Ltd, Niederweningen	CH	CHF	10 000 000	O			S	100	100
Bucher Industries France SAS, Entzheim	FR	EUR	311 210 000	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	–
Bucher Beteiligungs-Stiftung, Niederweningen	CH	CHF	250 000	O			S	100	100
Bucher BG Finanz Ltd, Steinhausen	CH	CHF	26 505 000	O			S	100	100
Bucher Finance Ltd, St. Helier, Jersey	GB	EUR	51 000	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	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 Investment GmbH, Steinhausen	CH	CHF	100 000	O			S	100	100
Bucher Management Ltd, Kloten	CH	CHF	6 600 000	O			S	100	100
Bucher Sudamerica Participações Ltda., São Paulo	BR	BRL	1 000	O			S	100	–
Kuhn Group SAS, Saverne	FR	EUR	300 100 000	O			S	100	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		98	98
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	11 181 000	KG	P	D		100	100
Kuhn MGM SAS, Monswiller	FR	EUR	2 000 000	KG	P	D		99	99
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 Farm Machinery Sarl, Kiev	UA	UAH	650 000	KG		D		100	100
Kuhn Ibérica SA, Daganzo	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, Saverne	FR	EUR	5 000 000	KG		D		100	100
Kuhn Argentina, Buenos Aires	AR	ARS	500 000	KG		D		100	–
Kuhn Tianjin Farm Machinery Ltd, Tianjin	CN	CNY	5 045 000	KG		D		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 %	
								2013	2012
Bucher Schörling Ltd, Niederweningen	CH	CHF	10 000 000	BM	P	D	S	100	100
Bucher Schörling GmbH, Hanover	DE	EUR	3 000 000	BM		D		100	100
Bucher Schörling Korea Ltd, Seoul	KR	KRW	350 000 000	BM	P	D		100	100
SIA Bucher Schoerling Baltic, Ventspils	LV	LVL	2 551 500	BM	P	D		100	100
Giletta S.p.A., Revello	IT	EUR	1 250 000	BM	P	D		60	50[1]
Arvel Industries Sàrl, Coudes	FR	EUR	200 000	BM	P	D		60	50[1]
Tecvia Eurl, Lyon	FR	EUR	38 112	BM		D		60	50[1]
Maquiasfalt SL, Madrid	ES	EUR	30 000	BM		D		60	50[1]
Giletta LLC, Kaluga	RU	RUB	420 000	BM	P			60	–
Gmeiner GmbH, Kümmersbruck	DE	EUR	26 000	BM	P	D		60	100
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		D		100	100
MacDonald Johnston Ltd, Clayton North	AU	AUD	5 901 000	BM	P	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
Suzhou Bucher Hydraulics 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	26 000	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 Ltd, New Delhi	IN	INR	26 200 000	BH	P	D		100	100
Bucher Hydraulics Inc., Grand Rapids	US	USD	12 150 000	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	–
Bucher Hidráulica Ltda., Porto Alegre	BR	BRL	6 830 000	BH	P	D		100	–

[1] Control obtained because of the power to cast the majority of votes at meetings of Board of Directors.
[2] Jetter's shares are traded on the Xetra exchange in Frankfurt (ISIN: DE0006264005). Market capitalisation at 31 December 2013: EUR 22.7 Mio.
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 %	
								2013	**2012**
Emhart Glass SA, Steinhausen	CH	CHF	10 000 000	BEG		D	S	100	100
Emhart Glass Manufacturing Inc., Elmira 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, Neuss	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 Pte. Ltd, Singapore	SG	JPY	100	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	38 000	BEG			S	100	100
Emhart Glass OOO, Moscow	RU	RUB	10 000	BEG			S	100	100
Emhart Glass Pte. Ltd, Singapore	SG	SGD	2	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	92 400 000	BSp	P	D		100	100
Bucher Unipektin Ltd, Niederweningen	CH	CHF	600 000	BSp	P	D		100	100
Beijing, Bucher Unipektin Equipment Co. Ltd, China	CN	CNY	3 098 895	BSp		D		100	100
Bucher-Alimentech Ltd, Auckland	NZ	NZD	2 503 000	BSp		D		100	100
Bucher-Zédrys SA, Chalonnes-sur-Loire	FR	EUR	250 000	BSp			S	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[2)]	DE	EUR	3 241 061	BSp	P	D		77	29
futronic GmbH, Tettnang	DE	EUR	260 000	BSp	P	D		77	29

Report of the statutory auditor

To the general meeting of Bucher Industries AG, Niederweningen

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Bucher Industries AG, which comprise the balance sheet, income statement, statement of comprehensive income, cash flow statement, statement of changes in equity and notes (pages 66 to 123), for the year ended 31 December 2013.

Board of directors' responsibility The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion In our opinion, the consolidated financial statements for the year ended 31 December 2013 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

Report on other legal requirements We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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	Ralf Zwick Audit expert

Zurich, 28 February 2014

Balance sheet of Bucher Industries AG at 31 December 2013

CHF 1 000	Note	2013	2012
Cash and cash equivalents		68 056	47 703
Receivables from group companies		55 704	74 409
Other receivables		10 437	6 839
Current assets		**134 197**	**128 951**
Loans to group companies	1	677 861	554 198
Investments	2	698 633	689 594
Intangible assets		412	576
Non-current assets		**1 376 906**	**1 244 368**
Assets		**1 511 103**	**1 373 319**
Bond	3	200 000	–
Private placements	3	–	33 305
Short-term bank borrowings		64 719	95 000
Current payables to group companies		455 831	289 736
Other current liabilities		7 517	8 003
Current liabilities		**728 067**	**426 044**
Bond	3	–	200 000
Private placements	3	19 983	19 983
Long-term bank borrowings		105 000	94 355
Provisions	4	4 526	3 010
Non-current liabilities		**129 509**	**317 348**
Share capital	5	2 050	2 050
Statutory reserve		70 610	70 610
Distributable reserve		476 834	476 834
Retained earnings		29 183	39 007
Profit/(loss) for the year		74 850	41 426
Equity		**653 527**	**629 927**
Liabilities and equity		**1 511 103**	**1 373 319**

Income statement of Bucher Industries AG for the year ended 31 December 2013

CHF 1 000	Note	2013	2012
Income from investments	7	70 546	48 075
Finance income	8	92 357	94 088
Royalty income from group companies	9	13 182	12 455
Gain on sale of non-current assets	2	2 012	–
Income		**178 097**	**154 618**
Administrative expenses		4 727	4 715
Finance costs	10	96 897	96 025
Amortisation of intangible assets		–	13 723
Income tax expense		1 623	– 1 271
Expenses		**103 247**	**113 192**
Profit/(loss) for the year		**74 850**	**41 426**

Notes to the financial statements of Bucher Industries AG

Applying the transitional provisions of the new accounting law, these financial statements have been prepared in accordance with the provisions on accounting and financial reporting of the Swiss Code of Obligations effective until 31 December 2012.

1 Loans to group companies

Serving as the central source of financing for the Group, Bucher Industries AG provides adequate equity funding and grants loans to group companies.

2 Investments

End of September, Bucher Industries presented a voluntary public tender offer to the shareholders of Jetter AG, Ludwigsburg, Germany, at a price of EUR 7.00 per share. In connection with the acquisition, Bucher Industries AG sold the 29.98% interest it already owned to Bucher Beteiligungsverwaltung AG, Munich, Germany. The sale resulted in a gain of CHF 2.0 million, which was disclosed under “gain on sale of non-current assets”. Further information about Bucher Industries AG’s direct and indirect investments in subsidiaries and associates is presented in the list of group companies on pages 121 to 123 of the annual report.

3 Bonds

The bond with a par value of CHF 200.0 million issued in 2009 matures on 2 October 2014 and was reclassified under current liabilities. Further information on the bond and private placements is disclosed on page 96 of the annual report.

4 Provisions

Provisions have been formed for business risks and taxes.

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. A group of shareholders organised under a shareholders’ agreement and represented by Rudolf Hauser, Zurich, holds a total of 35.16% of the voting rights, as published in the Swiss Official Gazette of Commerce (SOGC) on 10 May 2005 and subsequent to the 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, Bucher Beteiligungs-Stiftung held 2.22% of the issued share capital, the voting rights attached to such shares being suspended in accordance with article 659a paragraph 1 of the Swiss Code of Obligations. According to disclosure notifications submitted to Bucher Industries AG and SIX Swiss Exchange, Norges 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.

6 Contingent liabilities

The company has incurred contingent liabilities to cover group companies' obligations to banks in respect of credit and cash pool agreements. The maximum exposure was CHF 89.0 million (2012: CHF 84.8 million). The amount claimed at the reporting date was CHF 22.4 million (CHF 36.3 million).

7 Income from investments

Income from investments comprised dividends received from directly related group companies.

8 Finance income

Finance income consisted of interest on loans granted to group companies, foreign exchange gains and income from cash and liquid assets.

9 Royalty income

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

10 Finance costs

Finance costs represented interest expense on outstanding bonds, bank borrowings and payables to group companies as well as foreign exchange losses.

11 Impairment charges

For the reporting period, management saw no need for any impairment charges.

12 Risk assessment procedure

Bucher Industries AG is the parent company of the Bucher Industries Group. A risk assessment process covering all the Group's operations takes place at group level (see the risk report in the notes to the consolidated financial statements). The risk exposures of Bucher Industries AG have therefore been assessed from the perspective of the Group as a whole and the required measures adopted where considered necessary.

Disclosure of remuneration and interests

Directors' remuneration

CHF 1 000	Base salary	Share awards		Social security and pension benefits	Other remuneration	Total	Paid in cash
		Number	Value				
							2013
Rolf Broglie, chairman	225.0	332	75.0	24.1	14.0	**338.1**	239.0
Anita Hauser, deputy chairman	52.5	233	52.5	11.6	12.0	**128.6**	64.5
Ernst Bärtschi	45.0	200	45.0	10.1	12.0	**112.1**	57.0
Claude R. Cornaz	45.0	200	45.0	10.1	12.0	**112.1**	57.0
Michael Hauser	45.0	200	45.0	10.1	12.0	**112.1**	57.0
Heinrich Spoerry	45.0	200	45.0	10.1	12.0	**112.1**	57.0
Directors	**457.5**	**1 365**	**307.5**	**76.1**	**74.0**	**915.1**	**531.5**
							2012
Rolf Broglie, chairman	210.0	346	60.0	21.1	14.0	**305.1**	224.0
Anita Hauser, deputy chairman	52.5	303	52.5	11.6	12.0	**128.6**	64.5
Ernst Bärtschi	45.0	260	45.0	10.1	12.0	**112.1**	57.0
Thomas W. Bechtler	45.0	260	45.0	10.1	12.0	**112.1**	57.0
Claude R. Cornaz	45.0	260	45.0	9.1	2.0	**101.1**	47.0
Michael Hauser	45.0	260	45.0	10.1	12.0	**112.1**	57.0
Heinrich Spoerry	45.0	260	45.0	10.1	12.0	**112.1**	57.0
Directors	**487.5**	**1 949**	**337.5**	**82.2**	**76.0**	**983.2**	**563.5**

Share awards to directors comprised directors' fees. Share awards were granted and valued at the average share price of CHF 226.00 (2012: CHF 173.50) for the year. Other remuneration included expenses and fees for service on the board committees.

Remuneration to former directors and group management members No former directors and group management members or persons connected with them received any remuneration or fees during the year.

Group management remuneration

CHF 1 000	Base salary	Cash bonus	Share awards under share plans			Social security and pension benefits	Other remuneration	Total	Paid in cash
			BEPP Number	BPP Number	Value				
									2013
Philip Mosimann, CEO	860.0	494.5	2 360	401	734.4	439.1	19.2	**2 547.2**	1 373.7
Other members	2 718.4	906.1	1 958	1 192	837.9	1 017.5	30.0	**5 509.9**	3 654.5
Group management	**3 578.4**	**1 400.6**	**4 318**	**1 593**	**1 572.3**	**1 456.6**	**49.2**	**8 057.1**	**5 028.2**
									2012
Philip Mosimann, CEO	860.0	473.0	2 801	515	626.7	370.7	19.2	**2 349.6**	1 352.2
Other members	2 662.6	806.5	2 338	1 520	729.2	905.5	30.0	**5 133.8**	3 499.1
Group management	**3 522.6**	**1 279.5**	**5 139**	**2 035**	**1 355.9**	**1 276.2**	**49.2**	**7 483.4**	**4 851.3**

The shares awarded to group management members for the reporting year are based on the Bucher share plans. The shares awarded represent a fixed percentage of base salary and the level of target achievement during the year. The number of shares awarded under the Bucher Executive Share Plan (BEPP) was calculated using the average share price of CHF 226.00 (2012: CHF 173.50) for the year and those under the Bucher Share Plan (BPP) using a share price of CHF 266.00 (CHF 189.00), representing the average share price during the first three weeks of January 2014. All shares awarded were valued at CHF 266.00 (CHF 189.00).

Further details are set out in the remuneration report on pages 52 to 57 of this annual report.

Directors' interests in shares

	Number of shares	
	2013	**2012**
Rolf Broglie, chairman	13 444	13 008
Anita Hauser, deputy chairman	439 082	438 779
Ernst Bärtschi	2 628	4 368
Claude R. Cornaz	5 498	5 238
Michael Hauser	604 268	604 008
Heinrich Spoerry	3 036	2 776
Directors	**1 067 956**	**1 068 177**

The directors did not hold any share options on 31 December 2013.

Group management's interests in shares and share options

		Number of shares		Number of options	
		2013	**2012**	**2013**	**2012**
Philip Mosimann	CEO	55 642	52 478	10 800	15 300
Roger Baillod	CFO	11 135	13 072	5 400	6 600
Jean-Pierre Bernheim	Bucher Vaslin	5 112	8 960	8 400	10 480
Michael Häusermann	Bucher Municipal	6 894	7 006	5 400	12 000
Martin Jetter	Bucher Emhart Glass	2 121	1 652	3 000	6 000
Michel Siebert	Kuhn Group	12 088	7 145	2 000	10 200
Daniel Waller	Bucher Hydraulics	7 116	6 419	11 400	11 400
Group management		**100 108**	**96 732**	**46 400**	**71 980**

		Number of options					
Grant year		**2009**	**2008**	**2007**	**2006**	**2005**	**Total**
Exercise price (CHF)		115.00	149.00	221.00	116.00	108.00	
Staggered vesting over 4 years		2010–2013	2009–2012	2008–2011	2007–2010	2006–2009	
Life (years)		10	10	10	10	10	
Philip Mosimann	CEO	3 600	3 600	3 600	–	–	**10 800**
Roger Baillod	CFO	2 400	1 800	1 200	–	–	**5 400**
Jean-Pierre Bernheim	Bucher Vaslin	1 800	1 800	2 400	2 400	–	**8 400**
Michael Häusermann	Bucher Municipal	600	2 400	2 400	–	–	**5 400**
Martin Jetter	Bucher Emhart Glass	600	–	2 400	–	–	**3 000**
Michel Siebert	Kuhn Group	–	–	2 000	–	–	**2 000**
Daniel Waller	Bucher Hydraulics	2 400	2 400	2 400	2 400	1 800	**11 400**
Group management		**11 400**	**12 000**	**16 400**	**4 800**	**1 800**	**46 400**

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. Each option entitles the holder to purchase one share.

Board of directors’ proposal

Appropriation of retained earnings

CHF	
Profit for 2013	74 850 194
Retained earnings brought forward	29 182 505
Retained earnings available for distribution	**104 032 699**
The directors propose that the annual general meeting approve the payment of a dividend of CHF 6.50 per dividend-bearing share of CHF 0.20 each	66 625 000
Transfer to distributable reserve	–
Balance to be carried forward	37 407 699
Total	**104 032 699**

Report of the statutory auditor

To the general meeting of Bucher Industries AG, Niederweningen

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Bucher Industries AG, which comprise the balance sheet, income statement and notes (pages 126 to 133), for the year ended 31 December 2013.

Board of directors' responsibility The board of directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion In our opinion, the financial statements for the year ended 31 December 2013 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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	Ralf Zwick
Audit expert	Audit expert
Auditor in charge	

Zurich, 28 February 2014

Five-year summary

Group

CHF million

		2013	2012[1]	2011	2010	2009
Order intake		2 718.2	2 490.4	2 587.5	2 216.5	1 797.4
Net sales		2 690.8	2 609.0	2 336.0	2 033.7	2 142.1
Order book		850.4	795.3	923.0	663.0	507.3
Operating profit before depreciation and amortisation (EBITDA)		371.1	306.9	259.9	223.9	189.7
As % of net sales		13.8%	11.8%	11.1%	11.0%	8.9%
Operating profit (EBIT) before impairment		287.1	231.7	190.2	151.4	111.7
As % of net sales		10.7%	8.9%	8.1%	7.4%	5.2%
Operating profit (EBIT)		287.1	231.7	190.2	151.4	25.8
As % of net sales		10.7%	8.9%	8.1%	7.4%	1.2%
Net financial items		– 11.4	– 12.6	– 18.4	– 10.8	– 18.8
Income tax expense		– 79.5	– 63.1	– 44.4	– 42.9	– 31.4
As % of profit before tax[2]		28.8%	28.8%	25.8%	30.5%	33.8%
Profit/(loss) for the year		196.2	156.0	127.4	97.7	– 24.4
As % of net sales		7.3%	6.0%	5.5%	4.8%	– 1.2%
Capital expenditure		136.6	96.5	118.3	65.8	58.5
Operating free cash flow		91.7	105.4	54.8	201.9	182.5
Development costs		90.5	80.8	74.4	73.2	75.9
Total assets		2 436.3	2 259.4	2 247.7	1 984.9	2 124.5
Cash, cash equivalents and short-term investments		455.7	480.3	467.1	548.4	505.2
Receivables		498.5	458.7	476.0	401.8	468.9
Inventories		632.9	582.1	587.9	451.3	485.2
Investments and other financial assets		44.5	50.5	49.0	46.8	51.0
Property, plant and equipment		569.7	478.0	449.2	366.1	408.5
Intangible assets		181.5	159.3	174.0	135.4	164.7
Current liabilities		1 059.1	906.5	877.4	646.0	711.2
Non-current liabilities		303.1	462.6	555.9	591.2	620.8
Total liabilities		1 362.2	1 369.1	1 433.3	1 237.2	1 332.0
Of which interest-bearing		455.8	499.7	538.6	529.4	623.3
Net cash/debt		– 0.1	– 19.4	– 71.5	19.0	– 118.1
Equity		1 074.1	890.3	814.4	747.7	792.5
Equity ratio		44.1%	39.4%	36.2%	37.7%	37.3%
Return on equity (ROE)		20.0%	18.3%	16.3%	12.7%	– 3.0%
Working capital		416.0	347.5	314.5	271.1	400.1
Net operating assets (NOA), average		1 061.3	969.6	827.8	849.2	1 114.1
Return on net operating assets (RONOA), after tax		19.3%	17.0%	17.0%	12.4%	1.5%
Number of employees at 31 December[3]		10 916	10 166	10 136	7 899	7 183
Average number of employees during year[3]		10 788	10 383	9 380	7 639	7 618
Net sales per employee	CHF 1 000	250	251	249	266	281

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.
[2] 2009 tax rate before impairment. The effective tax rate after impairment was 448.6%.
[3] Expressed as full-time equivalents.

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