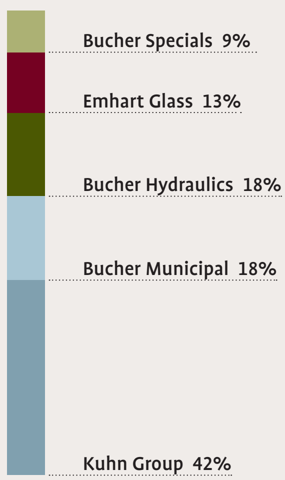
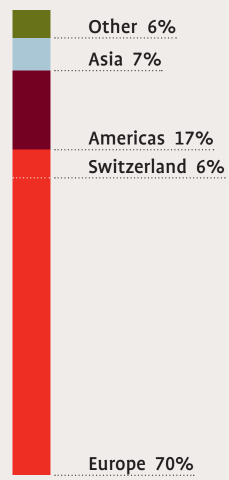
BUCHER

Net sales

By division

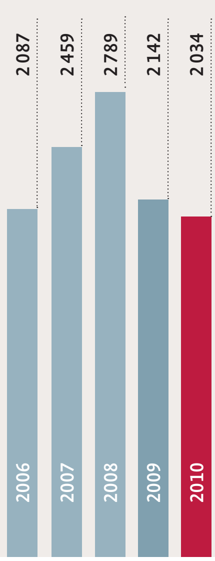


By region

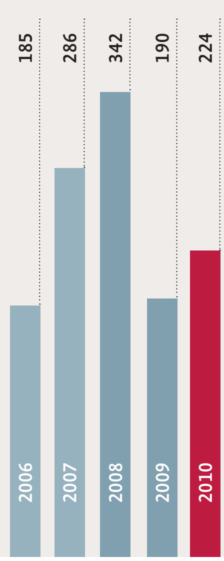


Five-year summary

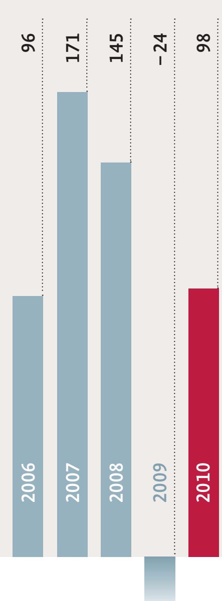
Net sales
CHF million



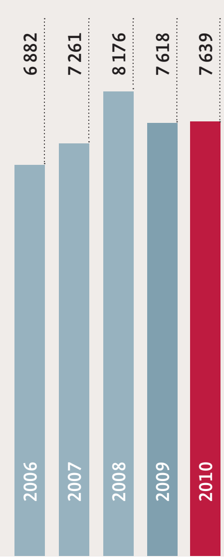
Operating profit (EBITDA)
CHF million



Net profit
CHF million



Average number of
employees during year



Key figures

Group

CHF million		2010	2009	% change
Order intake		2 216.5	1 797.4	23.3
Net sales		2 033.7	2 142.1	– 5.1
Order book		663.0	507.3	30.7
Operating profit before depreciation and amortisation (EBITDA)		223.9	189.7	18.0
As % of net sales		11.0%	8.9%	
Operating profit (EBIT) before impairment		151.4	111.7	35.5
As % of net sales		7.4%	5.2%	
Operating profit (EBIT)		151.4	25.8	486.8
As % of net sales		7.4%	1.2%	
Net financial items		– 10.8	– 18.8	– 42.6
Income tax expense		– 42.9	– 31.4	36.6
As % of profit before tax[1]		30.5%	33.8%	
Profit/(loss) for the year		97.7	– 24.4	n.a.
As % of net sales		4.8%	– 1.2%	
Earnings per share in CHF		9.53	– 2.60	n.a.
Capital expenditure		65.8	58.5	12.5
Operating free cash flow		201.9	182.5	10.6
Development costs		73.2	75.9	– 3.6
Net operating assets (NOA), average		849.2	1 114.1	– 23.8
Return on net operating assets (RONOA)		12.4%	1.5%	
Net cash/debt		19.0	– 118.1	n.a.
Total assets		1 984.9	2 124.5	– 6.6
Equity		747.7	792.5	– 5.7
Equity ratio		37.7%	37.3%	
Return on equity (ROE)		12.7%	– 3.0%	
Number of employees at 31 December[2]		7 899	7 183	10.0
Average number of employees during year[2]		7 639	7 618	0.3
Net sales per employee	CHF 1 000	266.2	281.2	– 5.3

Divisions/Segments

CHF million	Order intake		Net sales		Order book		Operating profit (EBIT)		Number of employees[2] at 31 December	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Kuhn Group	976.1	735.4	851.2	948.4	356.8	246.0	78.2	7.4	3 593	3 152
Bucher Municipal[3]	380.6	371.0	373.0	386.6	88.6	81.3	27.3	15.0	1 334	1 318
Bucher Hydraulics	386.7	276.7	371.4	319.8	62.9	45.6	36.9	– 8.5	1 544	1 317
Emhart Glass	285.2	232.4	259.3	303.7	109.7	91.5	3.0	12.2	874	871
Bucher Specials	187.9	181.9	187.0	187.7	45.0	42.9	8.6	10.0	535	506
Other/consolidation	–	–	– 8.2	– 4.1	–	–	– 2.6	– 10.3	19	19
Total	**2 216.5**	**1 797.4**	**2 033.7**	**2 142.1**	**663.0**	**507.3**	**151.4**	**25.8**	**7 899**	**7 183**

1) 2009 tax rate before impairment. The effective tax rate after impairment was 448.6%.
2) Expressed as full-time equivalents.
3) 2009 restated: Bucher Landtechnik transferred to Bucher Specials.

Contents

Report to shareholders

Dear Shareholders,

Following the massive slump in the previous year the Group's main markets underwent predominantly positive development in the 2010 financial year, albeit with regional differences. The Group boosted its earning power although sales did not attain last year's level. In addition, significant currency fluctuations had an adverse impact on the Group's key figures in Swiss francs.

During the year under review Bucher Industries achieved an order intake of CHF 2 217 million. This amounted to a 23% rise; adjusted for currencies the figure was 30%. Sales of CHF 2 034 million were 5% down year-on-year; adjusted for currencies they barely exceeded the previous year's level. The order book rose 31%, adjusted for currencies 40%, on the previous year's very low level to CHF 663 million and ensures healthy capacity utilisation in the first few months of this year. Operating profit rose 36% to CHF 151 million, excluding impairment charges of CHF 86 million in the previous year, and the operating profit margin rose from 5.2% to 7.4%. The improvement in operating profit and net financial items resulted in a good profit for the year of CHF 98 million.

Recovery in demand Early on in the year under review Bucher Industries' main markets in North America and Asia started a swift recovery, whilst demand in Western Europe did not pick-up until the second half of the year. Development in the southern hemisphere markets varied, and in Eastern Europe they remained at a low level. Overall, agricultural products and hydraulic components benefited from a positive environment. The glass container industry recovered sharply towards the end of 2010. On the other hand, pressure on municipal vehicle markets increased once more because of the high level of public sector debt in Europe and the USA and accompanying budget cuts. The strong currency fluctuations with the major weakness of the Euro and the US dollar vis-à-vis the Swiss franc and Swedish krona had an adverse impact on export margins and a clearly negative effect in translation to Swiss francs.

Strengthened profitability In this environment the Group achieved sales of CHF 2 034 million in 2010. Sales were 5.1% below, or adjusted for currencies barely above, the previous year's level. The acquisition and disposal effect on sales was negligible at minus 0.3%. Order intake rose sharply by 23.3%, adjusted for currencies 30.4%, to CHF 2 217 million. The order book rose by 30.7%, adjusted for currencies 39.8%, to CHF 663 million. Kuhn Group, Bucher Hydraulics and Emhart Glass in particular contributed towards the positive order trends. The rising demand had a positive effect on the employment situation and it was possible to suspend short-time work. The Group's personnel capacities rose 10.0% to 7 899 employees at the end of the year. Thanks to the restructuring implemented in the previous year and continued high discipline in spending in all business activities, the Group achieved an operating profit of CHF 151 million in spite of the charges adjusted for currencies. Excluding extraordinary impairment charges in the previous year of CHF 86 million, this equates to an increase of 35.5% and an improvement in operating profit margin from 5.2% to 7.4%. The currency hedging undertaken during the year contributed greatly to the improved operating profit and net financial items. Overall, profit for the year improved by CHF 122 million to CHF 98 million.

Sound financial position Thanks to systematic implementation of the action plans to lower costs and to improve liquidity the Group was able to successfully overcome the financial crisis and had net liquidity of CHF 19 million at the end of the year. This very pleasing result was mainly attributable to an increase in the Group's profit for the year and the reduction in working capital. Following a deliberately cautious approach to investments in the previous year these rose by 12.5% to CHF 66 million. It was possible to exceed once again the previous year's already high operating free cash flow of CHF 183 million with a figure of CHF 202 million. This healthy financial situation made it possible to reduce the financial debt by CHF 94 million. Despite the positive profit for the year equity fell as a result of the translation of the foreign currency book values by CHF 45 million to CHF 748 million. Equity ratio amounted to 37.7% compared with 37.3% in the previous year.

Long-term industrial focus The Group also persisted with its long-term industrial focus in the year under review. Consolidation of existing operations through organic growth is the main priority here. Just like the previous year, which was beset by crises, there were no investment cutbacks in product innovation and state-of-the-art manufacturing equipment and the divisions used their opportunities on the market for the launch of new products. In addition to internal growth the Group further strengthened its position in several markets with a range of targeted acquisitions. Kuhn Group expedited the integration of the previous years' acquired businesses with sprayers and balers and successfully completed the transfer of baler distribution channels to the Kuhn dealer network. This year the division continued to consolidate its long-term partnership with German company Rauch Landmaschinen GmbH in the field of fertiliser spreaders and pneumatic seed drills by acquiring a 24% interest. Because this participation resulted from an increase in capital considerable financial means were assigned to the company which will be used for its further development. Another investment concerned the new production site for Bucher Hydraulics in Neuheim, Switzerland, with around 4 000 m^2 in additional production space. The site became operational in June last year after a construction period of approximately one year. With the takeover of operations of Swiss-based Unipektin Engineering AG which specialises in fruit juice preparation, activities were supplemented to include fruit juice processing equipment in the field of juice preparation. Both operations are continued under the new name Bucher Unipektin. The Swiss distributorship for tractors and agricultural machinery was realigned and took over the entire Kuhn product range on 1 September 2010. At the start of the year Bucher Vaslin, the winemaking equipment business, announced the additional purchase of Sutter wine presses with the corresponding global spare parts and service business.

Kuhn Group benefited from a global rise in demand for modern agricultural machinery. Order intake rose by 32.7%, adjusted for currencies 41.9%, to CHF 976 million. Sales of CHF 851 million were down 10.2%, adjusted for currencies 4.2%, below the previous year's level. Based on the good development in the second six months the order book rose by 45.0%, adjusted for currencies 56.5%, to CHF 357 million. After demand had already recovered in North America in the first six months, the markets in Western Europe followed suit in the second half of the year with rising prices for milk, wheat, corn and soy. Despite unfavourable currency trends and sales below the previous year's level, the division increased operating profit by 10.0% to CHF 78 million, excluding impairment charges. High cost awareness, the implemented austerity measures and continued optimisation of operating processes contributed greatly to this success. Thanks to excellent production management and close cooperation with its dealers, the division was able to maintain inventories in the plants and sales channels at a normal level.

Bucher Municipal noticed the high national debt in the main sales countries with the associated local savings programmes. In Europe the market for municipal vehicles shrank a further 8% having already contracted by more than 20% in the previous year. A positive development was good demand for winter maintenance equipment because of the long, hard winter. The division held its ground in this environment characterised by rising competitive pressure and achieved sales of CHF 373 million. Compared with the previous year's level the decline was 3.5%; adjusted for currencies 2.1%. Order intake rose by 2.6%, adjusted for currencies and disposals 6.1%, to CHF 381 million. The order book of CHF 89 million exceeded the previous year by 9.0%. The strong monetary turmoil had a range of effects. Whilst the plant in the UK benefited from the favourable price of the British pound for exports, the high Swiss franc stifled exports from Switzerland. The high margin pressure could be alleviated by operational measures. In this tense market environment the division was able to raise operating profit from CHF 15 million to CHF 27 million despite the decline in sales. In the previous year it was weighed down by restructuring costs of CHF 10 million.

Bucher Hydraulics managed to take advantage of the unexpectedly strong upturn in the main markets of Europe, the USA, India and China thanks to great flexibility. The high dynamism in the markets in the first half of the year weakened in the second six months to a sustainable extent. The division increased order intake by 39.8%, adjusted for currencies 46.6%, to CHF 387 million. Sales of CHF 371 million exceeded the previous year's level by 16.1%; adjusted for currencies 21.7%. Bucher Hydraulics managed the increase in sales primarily with temporary personnel capacities as well as targeted permanent positions. The order book once more equated to normal order book totals for approximately two months. With good utilisation of manufacturing capacities and the measures implemented in the previous year for lowering costs, in the main it was possible to absorb the negative impacts of the strong Swiss franc. The division achieved a pleasing operating profit of CHF 37 million. At 10% there was a double-digit operating profit margin once more.

Emhart Glass was still affected greatly by the downturn in the year under review. The investment level in late-cycle, capital-intensive business with machines for the manufacture and inspection of glass containers achieved a ten-year low in 2010. Project activity of Emhart Glass did not pick up again until the second half of the year. In this difficult market environment the division achieved sales of CHF 259 million which equaled a decline of 14.6%; adjusted for currencies 6.7%. From autumn 2010 the order intake improved clearly and rose for the year under review by 22.7%, adjusted for currencies 34.0%, to CHF 285 million. The division continued to streamline its structures in 2010 and closed the plant in Italy, which entailed restructuring costs of CHF 5 million. With two main plants in Sweden the massive 13% rise in the Swedish krona compared with the euro had a clear impact on profitability. Overall, operating profit of CHF 3 million barely broke even.

Bucher Specials The three independent businesses of Bucher Specials developed differently last year. Good business in wine production equipment mainly resulted from product innovations and the European subsidy programme. Business in the Swiss distributorship for tractors and agricultural machinery remained steady. The good development in these two independent businesses could almost compensate for the heavy decline in fruit juice processing equipment. In this market the environment was characterised by low prices for fruit juice concentrate and over-investments in the previous years. Bucher Specials' sales therefore fell by 0.4% to CHF 187 million. Adjusted for currencies this was a 3.4% increase. The order intake of CHF 188 million rose on the previous year's level by 3.3%; adjusted for currencies by 7.3%. The operating profit fell 14.0% to CHF 9 million due to the weak sales situation in the fruit juice business.

Dividend Based on the profit for 2010 and the improved prospects for 2011 as well as the desired consistent dividend policy, the board of directors proposes to the annual general meeting of 14 April 2011 a dividend of CHF 3.00 per registered share. The dividend paid last year was CHF 2.00.

Board of directors and group management At the 2011 general meeting of shareholders Thomas W. Hauser is resigning as director and deputy chairman of the board of directors having reached the regulatory age limit. The board of directors proposes that the annual general meeting elects Michael Hauser as new director for a term of three years. In addition, the term of office of Ernst Bärtschi is expiring. The board of directors proposes his re-election for a further three-year term. The board of directors would like to thank Thomas W. Hauser for the many dedicated years of work for Bucher Industries.

Many thanks to our employees and partners The Group's enhanced performance last year would not have been possible without the great dedication, commitment and strong will to succeed on the part of all employees. We know that this is not simply a matter of course in difficult times, in particular. Our customers, business partners and shareholders also supported us with their spirit of professionalism and competence. The good cooperation and reliability of all stakeholders form the basis for a continued, successful future of our company. We would like to express our thanks to you all.

Philip Mosimann
Chief Executive Officer

Outlook for 2011 Bucher Industries expects that during the current year the positive business development will continue in Kuhn Group and Bucher Hydraulics and that Emhart Glass can benefit from stronger demand. For Bucher Municipal the Group anticipates to see a further decline in the market based on the weak financial situation in the public sector. Bucher Specials is likely to benefit from the sustained healthy market trend for wine production equipment and recovering demand in the fruit juice business. Whilst prospects for growth are good in local currencies, there is much uncertainty in terms of foreign exchange rates. Effects of exchange rate fluctuations could therefore influence growth and improvement of results. Considering stable exchange rates the Group expects to see an overall continuation of growth in sales and profit.

Niederweningen, 16 March 2011

Rolf Broglie
Chairman of the Board

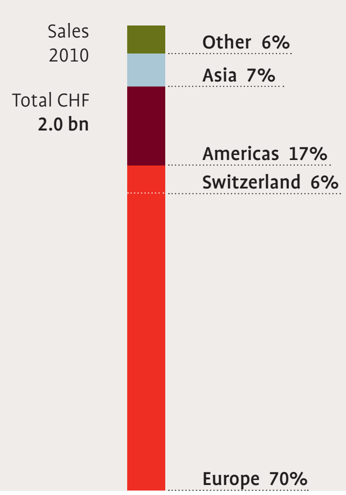
Philip Mosimann
Chief Executive Officer

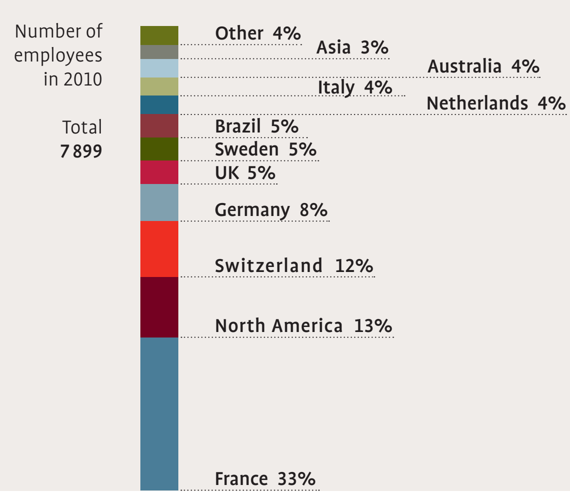
Rolf Broglie
Chairman of the Board

Bucher at a glance

Our mission We develop and manufacture economical, state-of-the-art machinery and equipment used for a variety of purposes, such as harvesting, producing and packaging healthy foods, keeping cities clean and roads safe, or hydraulic systems for high-performance machinery. Our products have a long service life and are highly energy efficient. We see ourselves as a long-term industry-focused business and are committed to being a fair partner to our customers, employees, shareholders and business partners. We make an active contribution towards ensuring that our natural resources are used responsibly. Consequently, our work is shaped by economic, ecological and social criteria.

Our targets We seek to achieve superior profitability and a sound balance sheet based on technology leadership, a strong market position and systematic cost management. We provide our customers with effective, innovative products and outstanding service. We offer attractive jobs and development opportunities to our employees. We will continue to build the Group, primarily through organic growth and innovation, but also by acquiring and integrating selected, complementary businesses. The divisions consistently focus their product and service portfolios on customers' needs. By maintaining a clear structure with decentralised management and profit responsibility, combined with group-wide strategic and financial management, we will remain flexible and adaptable. Our financial targets are ambitious: an operating profit of 12% EBITDA and 9% EBIT on net sales and a 16% after-tax return on capital employed. These targets apply to the average results achieved throughout an economic cycle. Our healthy balance sheet and strong equity base make us independent and put us in a position to react quickly.





Our businesses The Group comprises four divisions specialising in industrially related areas of mechanical and vehicle engineering as well as a segment encompassing independent businesses. Their operations are geared toward fundamental human needs and have substantial worldwide growth and earnings potential.

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

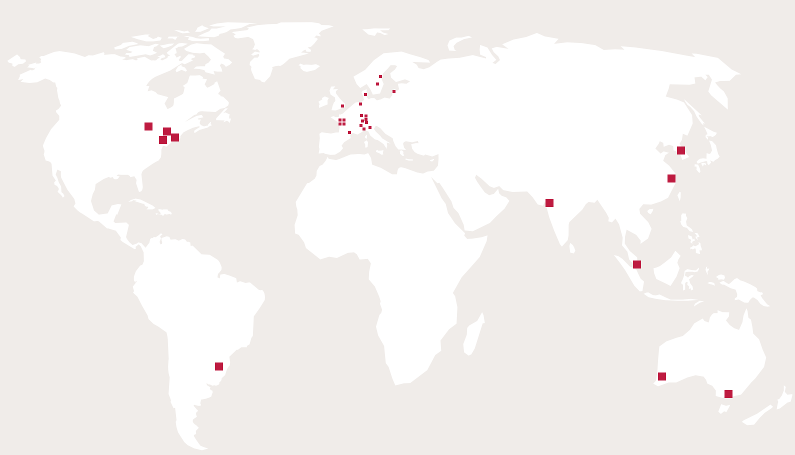
Bucher Municipal is the European and Australian market leader in municipal vehicles offering a whole range of compact and truck mounted sweepers, winter maintenance equipment and refuse collection vehicles.

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

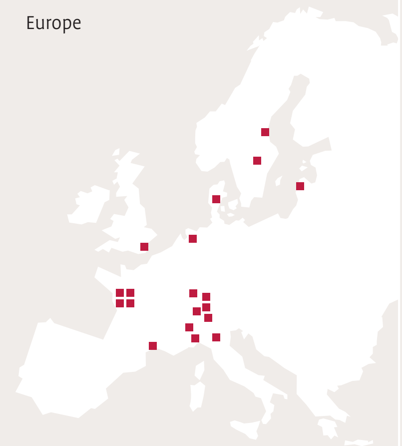
Emhart Glass is the world's leading supplier of advanced technologies for manufacturing and inspecting glass containers, with a portfolio encompassing glass container forming and inspection machinery, systems, components, spare parts, advice and services for the glass container industry.

Bucher Specials consists of independent businesses: machinery and equipment for winemaking (Bucher Vaslin), systems and machinery for processing fruit juice, drying food and dewatering municipal and industrial sludge (Bucher Unipektin) as well as the Swiss distributorship for tractors and agricultural machinery (Bucher Landtechnik).

Manufacturing sites



Europe

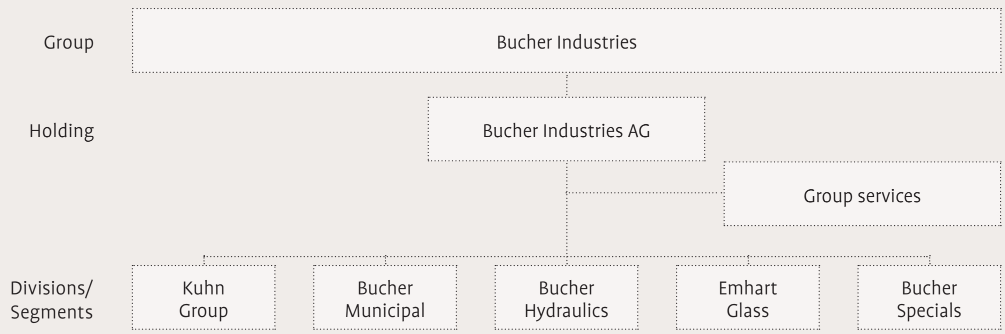


Corporate governance

This report complies with the SIX Swiss Exchange Corporate Governance Directive effective on 31 December 2010, where applicable to Bucher Industries. Unless otherwise stated, the information presented reflects the situation on 31 December 2010.

Group structure and shareholders

Operational group structure The Bucher Industries Group is organised into four divisions operating in four business segments and one segment with three independent businesses. The four divisions comprise: specialised agricultural machinery (Kuhn Group), municipal vehicles (Bucher Municipal), hydraulic components (Bucher Hydraulics) and manufacturing equipment for the glass container industry (Emhart Glass). Bucher Specials consists of: winemaking equipment (Bucher Vaslin), fruit juice processing equipment, drying systems for the food industry and dewatering municipal and industrial sludge (Bucher Unipektin) and the Swiss distributorship for tractors and agricultural machinery (Bucher Landtechnik). 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 86 to 89 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 investor relations section on pages 30 and 31 of this annual report. The consolidation includes all group companies owned directly or indirectly by the holding company, as shown on pages 123 to 125 of this annual report. None of these companies is 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 34.14% of the voting rights, as published in the Swiss Official Gazette of Commerce (SOGC) on 10 May 2005. The essence of the shareholders' agreement has not been published. Bucher Beteiligungs-Stiftung held a total of 5.13% of the issued share capital, the voting rights attached to such shares being suspended in accordance with art. 659a par. 1 of the Swiss Code of Obligations. At the reporting date, the board of Bucher Industries AG is not aware of any other shareholders, or groups of shareholders subject to voting agreements, who hold more than 3% of the total voting rights. The disclosures reported in the year under review can be viewed via the following link: www.six-swiss-exchange.com/shares/companies/major_shareholders_en.html?issuer=2413&fromDate=19980101

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 2 113 180, divided into 10 565 900 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 There were no changes in capital in the last three reporting years.

Shares Bucher Industries AG has an issued share capital of CHF 2 113 180, divided into 10 565 900 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 113 of this annual report. The shares required to meet awards are purchased in the open market and held by Bucher Beteiligungs-Stiftung.

Board of directors

Members

Rolf Broglie Swiss citizen, age 63, industrialist ‣ **1972** Chromos AG, Glattbrugg, managing director since **1985** ‣ Since **1995** Prografica AG, Glattbrugg, executive director and chief executive officer. No other appointments or commitments.

Thomas W. Hauser Swiss citizen, age 70, degree in mechanical engineering (dipl. Ing.) from Swiss Federal Institute of Technology (ETH) Zurich, MBA INSEAD Fontainebleau ‣ **1968** Boeing, Seattle ‣ **1970–2003** Bucher Hydraulics GmbH, Klettgau, managing director ‣ **1984–2003** Bucher Hydraulics, division president. No other appointments or commitments.

Ernst Bärtschi Swiss citizen, age 58, degree in economics (lic. oec.) from HSG University of St. Gallen ‣ **1980** Schindler Management AG ‣ **1994** Schindler Aufzüge AG, managing director ‣ **1997** Schindler Group, chief financial officer ‣ **2002** Sika AG, Baar, chief financial officer, since **2005** chief executive officer. No other appointments or commitments.

Thomas W. Bechtler Swiss citizen, age 61, doctorate in law (Dr. iur.) from University of Zurich, L.L.M. Harvard University ‣ **1977** Luwa AG, Zurich, division head ‣ Since **1982** Hesta AG and Hesta Tex AG, Zug, executive director and chief executive officer ‣ **Other appointments** Deputy chairman of Sika AG, Baar, and director of Conzzeta AG, Zurich ‣ Chairman of Human Rights Watch Committee Zurich.

Claude R. Cornaz Swiss citizen, age 49, degree in mechanical engineering (dipl. Ing.) from Swiss Federal Institute of Technology (ETH) Zurich ‣ **1987** Contraves AG, Zurich ‣ **1989** Nestec SA, Vevey ‣ **1993** Vetropack Holding AG, Bülach, since **2000** delegate of the board and chief executive officer ‣ **Other appointments** Member of the board of the European Container Glass Federation ‣ Deputy chairman of H. Goessler AG, Zurich.

Name	Age	Position	Appointed	Term expires	Committees	
Board of directors					Audit	Human resources
Rolf Broglie	63	chairman	1996	2013		x
Thomas W. Hauser	70	deputy chairman	1984	2011		x
Ernst Bärtschi	58		2005	2011	x	
Thomas W. Bechtler	61		1987	2013		x
Claude R. Cornaz	49		2002	2012		
Anita Hauser	41		2007	2013	x	
Heinrich Spoerry	59		2006	2012	x	

All directors are non-executive and independent.

Anita Hauser Swiss citizen, age 41, degree in public affairs (lic.rer. publ.) from HSG University of St. Gallen, MBA INSEAD, Fontainebleau ▸ **1993 – 1998** Unilever, Zug and Milan, European brand manager ▸ **2000** Lindt & Sprüngli (International) AG, Kilchberg, international marketing manager ▸ **2005** EF Education AG, Zurich, country manager ▸ Since **2010** EF Education First AG, Lucerne, marketing director. No other appointments or commitments.

Heinrich Spoerry Swiss citizen, age 59, degree in economics (lic. oec.) from HSG University of St. Gallen ▸ **1979** Boston Consulting Group, Munich ▸ **1981** SFS Group, Heerbrugg, head of management services ▸ **1987** Stäfa Control System AG, Cerberus AG, Männedorf, member of the management ▸ Since **1998** SFS Group, Heerbrugg, chairman and chief executive officer ▸ **Other appointment** Chairman of Mikron AG, Biel.

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 Directors are elected individually for staggered three-year terms. They are required to retire at the first annual general meeting of shareholders after reaching the age of 70. The articles of association place no other restrictions on tenure. Thomas W. Bechtler, Rolf Broglie and Anita Hauser were re-elected to the board last year. The board elected Rolf Broglie as chairman and Thomas W. Hauser as deputy chairman to serve from the annual general meeting on 15 April 2010.

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.bucherind.com/html/en/296.html. It meets as often as business requires, holding at least six scheduled meetings each year, which generally take place every two months. It met six times and held one conference call last year. The meetings are usually attended by the CEO, the CFO and by other members of group management, members of division and segment managements or specialists, depending on the items on the agenda. The secretary to the board takes minutes of the proceedings and resolutions. Each meeting lasts one day and the annual strategy meeting two days.

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.bucherind.com/html/en/296.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 from one annual general meeting until the next annual general meeting. Proceedings and resolutions of committee meetings are recorded in minutes.

Audit Committee Since the annual general meeting held on 15 April 2010, the Audit Committee comprised Ernst Bärtschi, chairman, Anita 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. The meetings focused on adjustments within the framework of the management information system, the verification of individual projects as well as 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.

Human resources committee Since the annual general meeting held on 15 April 2010, the human resources committee has been composed of Rolf Broglie (chairman), Thomas W. Bechtler and Thomas W. Hauser. It holds at least one meeting each year, usually lasting half a day. The CEO attends the meetings in an advisory capacity, except when his own remuneration is being determined. Five meetings were held last year. The focus of the meeting involved developing a new remuneration system for the Group. These disclosures are presented in the remuneration report on pages 22 to 28 of this annual report. The human resources committee also dealt with the following scheduled duties.

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 a http://www.bucherind.com/html/en/296.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, quarterly consolidated financial statements and management comments from group management, providing information on operational performance and key performance indicators within the Group, divisions, segments and major group companies. Variances from the budget and the three-year medium-term financial plan are analysed based on overall market conditions, and action taken by management is evaluated. 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. Written proposals are prepared under the direction of the CEO for any major projects requiring a board decision. 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 internal audit function reports to the chairman of the audit committee, which delegates the coordination and practical performance of the audits to the CFO. The internal audit function reports the results of its audits to the audit committee at at least one meeting each year. In the year under review one meeting took place with the internal audit. The audits focused on processes and controls as part of the internal control system.

Group management

Members

Philip Mosimann Swiss citizen, age 56, degree in mechanical engineering (dipl. Ing.) from Swiss Federal Institute of Technology (ETH) Zurich ▸ **1980** Sulzer Innotec AG, Winterthur ▸ **1993** Sulzer AG, Winterthur, division president of Sulzer Thermtec ▸ **1997** Sulzer AG, Winterthur, division president of Sulzer Textil ▸ **2001** Bucher Industries AG, chief executive officer since **2002** ▸ **Other appointment** Director of Conzzeta AG, Zurich.

Roger Baillod Swiss citizen, age 52, degree in business economics from FH Olten, certified public accountant Kammerschule Zurich ▸ **1984** ATAG Ernst & Young AG, Zurich ▸ **1993** Dietsche Holding AG, Zug, head of finance and accounting ▸ **1995** Benninger AG, Uzwil, head of corporate services ▸ Since **1996** Bucher Industries AG, chief financial officer ▸ **Other appointment** Member of the board of Migros-Genossenschafts-Bund, Zurich.

Jean-Pierre Bernheim French citizen, age 62, degree in mechanical engineering (dipl. Ing.) from Ecole des Mines, Paris, doctorate in engineering University of Marseille ▸ **1977** Groupe Vallourec, Paris ▸ **1980** Bucher Vaslin SA, managing director ▸ **1998** Bucher Process, division president ▸ Since **2010** Bucher Vaslin SA, managing director. No other appointments or commitments.

Michael Häusermann Swiss citizen, age 50, graduate of Business School, Zurich ▸ **1983** Kran + Hydraulik AG, Tagelswangen ▸ **1988** Bucher-Guyer AG, head of Bucher Transport Technology, Rolba Kommunaltechnik AG and Bucher-Guyer AG Municipal Vehicles ▸ Since **2000** Bucher Municipal, division president. No other appointments or commitments.

Martin Jetter German citizen, age 54, degree in engineering (dipl. Ing.) from University of Cooperative Education Stuttgart ▸ **1978** Robert Bosch GmbH, Schwieberdingen ▸ **1980** Jetter AG, Ludwigsburg, chief executive officer ▸ **2005** Emhart Glass SA, division president since **2006** ▸ **Other appointment** Jetter AG, Ludwigsburg, chief executive officer.

Jean-Pierre Bernheim
Bucher Vaslin

Michel Siebert
Kuhn Group

Martin Jetter
Emhart Glass

Roger Baillod
Chief Financial Officer

Michel Siebert French citizen, age 61, degree from Institute of Business Administration Nancy ▸ **1976** Charbonnages de France, Nancy ▸ **1979** Kuhn SA, head of sales and member of division management ▸ Since **1999** Kuhn Group, division president. No other appointments or commitments.

Daniel Waller Swiss citizen, age 50, degree in mechanical engineering (dipl. Ing.) from Swiss Federal Institute of Technology (ETH) Zurich ▸ **1987** Rittmeyer AG, Zug ▸ **1996** Carlo Gavazzi AG, Steinhausen ▸ **1999** Bucher Hydraulics AG Frutigen, managing director ▸ Since **2004** Bucher Hydraulics, division president. No other appointments or commitments.

Group services

Vanessa Ölz Swiss citizen, age 57, degree in law (lic. iur.) from University of Zurich ▸ **1989** Sulzer AG, Winterthur, legal counsel ▸ **1997** Sulzer Medica, Winterthur, secretary to the board ▸ Since **2002** Bucher Industries AG, head of legal and communications, secretary to the board.

Stefan Düring Swiss citizen, age 38, 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 ▸ **1998** PricewaterhouseCoopers, Zurich ▸ Since **2006** Bucher Industries AG, head of group development and since **2010** responsible for Bucher Unipektin and Bucher Landtechnik.

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


Philip Mosimann
Chief Executive Officer


Michael Häusermann
Bucher Municipal


Daniel Waller
Bucher Hydraulics

Remuneration, shareholdings and loans

These disclosures are presented in the remuneration report on pages 22 to 28 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, Beat Inauen, has been responsible for the audit engagement since 2007.

Audit fees and non-audit fees For last year, Bucher Industries was charged CHF 1 581 000 by PricewaterhouseCoopers and approximately CHF 488 000 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 544 000 for nonaudit 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 audit findings 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 with internal control systems in purchasing, investments and personnel. The audit committee held two meetings with the external auditors. The internal auditors attended one of these meetings in an advisory capacity.

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. These publications and the notice of the general meeting of shareholders are made available at the appropriate time on the company's website at http://www.bucherind.com/html/en/188.html and http://www.bucherind.com/html/en/854.html. Annual sales including order intake, order book and number of employees and the same key figures at the first and third quarter are published in press releases. It 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 investor relations section on page 31 of this annual report. All news releases published over the past two years as well as contact addresses can be found at http://www.bucherind.com/html/en/291.html and http://www.bucherind.com/html/en/kontakt.html. The company's website at www.bucherind.com also provides a facility to subscribe free of charge to an email 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.

The remuneration package was revised last year. The fixed base salary was increased, while the variable performance-related remuneration components were reduced. In addition, new share plans were introduced. These adjustments slightly reduced the total remuneration in the case of full target achievement. The new remuneration package is structured as follows:

Base salary When the remuneration package was revised, the fixed base salary of the members of group management and senior management was increased last year to compensate in part for the lower variable remuneration. 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.

Variable annual remuneration Variable annual remuneration is a performance-related component of remuneration paid in cash 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 range of the variable annual remuneration was reduced as part of the new remuneration package for the reporting year. It varies from 0% to a maximum of 75% (2009: 90%) of base salary for the CEO and from 0% to a maximum of 45% (2009: 60%) of base salary for all other members of group management, depending on the level of target achievement. The financial criteria used to determine the variable annual remuneration 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 is a share-based, performance-related component of remuneration for the members of group management. It was adopted last year to replace the previous long-term incentive plan. 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 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. Upon full target achievement, the applicable percentage is 50% (2009: 80%) of base salary for the CEO and 10% (2009: 10% to 20%) for the other group management members. The level of target achievement ranges from 0% to a maximum of 150%. The shares awarded are restricted for three years.

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. It was adopted last year to replace the previous share option plan, which provided for the grant of a fixed number of share options. Under the new plan, 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 full target achievement, the company matches the employees' investments in company shares. The level of target achievement ranges from 0% to a maximum of 150%. 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 are restricted for three years. Share options granted in respect of previous reporting years remain valid as originally provided.

Termination benefits There are no systems for termination benefits, and none were paid during 2010. 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 and all unvested options will lapse. Exercisable options must be exercised within six months after termination of employment, after which they will be forfeited.

Responsibility The human resources committee prepares the Group's remuneration policy for directors and group managements members. It makes recommendations 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 management members and specialists. In 2010, the human resources committee held five meetings, which focused on revising the Group's remuneration package and on the regular duties of determining the remuneration of senior executives. No external consultants were used.

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 remained unchanged during the year at CHF 120 000 for the chairman, 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 136.00 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. For the period from January 2010 to the end of April 2010, the chairman's base salary of CHF 150 000 was split on a pro rata basis in the proportion of CHF 48 000 for Thomas W. Hauser (chairman until the 2010 annual general meeting) and CHF 102 000 for Rolf Broglie (chairman since the 2010 annual general meeting). The increase in directors' remuneration is due to the board having voluntarily forgone payment of one third of both their base fee and the chairman's base salary in the previous year. The remuneration paid to directors last year and their interests in shares at the end of the year are shown on pages 26 and 27 of this annual report.

Group management's remuneration Group management members receive a base salary commensurate with their responsibilities and experience, a performance-related variable annual cash remuneration 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 136.00 for the year and those under the Bucher Share Plan using the average share price of CHF 185.00 during the first three weeks of January 2011. The shares awarded under the Bucher share plans were valued at a share price of CHF 185.00. The base salaries of group management members were increased in comparison with the previous year solely to compensate in part for the reduction in variable remuneration components. Last year, the level of target achievement for the performance-related variable annual remuneration was between 84% and 134% and the level of target achievement for the Bucher share plans was 150%. As the cost-saving programmes had an impact during the year, most of the targets were achieved, and some exceeded, in the still difficult economic environment. As a result, the level of target achievement for the performance-related variable annual remuneration was well above the low year-earlier levels. During the year, the share option plan was replaced by the Bucher Share Plan and no share options were granted. The number of shares awarded to the CEO under the Bucher share plans increased from 4 960 to 5 906 and the aggregate awarded to the other group management members from 3 476 to 5 797. The increase in the number of shares awarded is due to the replacement of the share option plan by the new Bucher Share Plan and to the higher level of target achievement. For this reason and because of the 75% higher share price, the cash value of the shares awarded rose considerably year on year. 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 2010 are set out on pages 27 and 28 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		Share awards under share plans		Social security and pension benefits	Other remu-neration	Total	Paid in cash
		Number	Value	Number	Value				
2010									
Rolf Broglie, chairman[1]	191.5	423	57.5	–	–	19.7	13.3	**282.0**	204.8
Thomas W. Hauser, deputy chairman[1]	71.0	404	55.0	–	–	13.0	12.7	**151.7**	83.7
Ernst Bärtschi	45.0	331	45.0	–	–	10.1	12.0	**112.1**	57.0
Thomas W. Bechtler	45.0	331	45.0	–	–	10.1	12.0	**112.1**	57.0
Claude R. Cornaz	45.0	331	45.0	–	–	9.1	2.0	**101.1**	47.0
Anita Hauser	45.0	331	45.0	–	–	10.1	12.0	**112.1**	57.0
Heinrich Spoerry	45.0	331	45.0	–	–	10.1	12.0	**112.1**	57.0
Directors	**487.5**	**2 482**	**337.5**	**–**	**–**	**82.2**	**76.0**	**983.2**	**563.5**
2009									
Thomas W. Hauser, chairman[2]	47.3	347	36.7	–	–	9.0	12.7	**105.7**	60.0
Rolf Broglie, deputy chairman[2]	54.3	300	31.8	–	–	8.6	12.7	**107.4**	67.0
Ernst Bärtschi	30.0	284	30.1	–	–	7.1	12.0	**79.2**	42.0
Thomas W. Bechtler	30.0	284	30.1	–	–	7.1	12.0	**79.2**	42.0
Claude R. Cornaz	30.0	284	30.1	–	–	6.1	2.0	**68.2**	32.0
Anita Hauser	30.0	284	30.1	–	–	6.1	2.0	**68.2**	32.0
Heinrich Spoerry	30.0	284	30.1	–	–	6.6	7.0	**73.7**	37.0
Kurt E. Siegenthaler[3]	110.0	800	84.7	675	71.5	22.6	11.8	**300.6**	121.8
Erwin Stoller[3]	–	600	63.5	–	–	7.4	11.2	**82.1**	11.2
Directors	**361.6**	**3 467**	**367.2**	**675**	**71.5**	**80.6**	**83.4**	**964.3**	**445.0**

[1] Since 15 April 2010.
[2] Since 1 September 2009.
[3] Until 31 August 2009.

Share awards to directors comprised directors' fees. Share awards were granted and valued at the average share price of CHF 136.00 for the year (2009: CHF 105.90). Other remuneration included expenses and fees for service on the board committees.

Group management remuneration

CHF 1 000	Base salary	Bonus	Share awards under share plans		Share options under option plan		Social security and pension benefits	Other remu-neration	Total	Paid in cash
			Number	Value	Number	Value				
2010										
Philip Mosimann, CEO	860.0	561.6	5 906	1 006.6	–	–	373.1	19.2	**2 820.5**	1 440.8
Other members	2 554.8	948.5	5 797	914.1	–	–	896.9	30.0	**5 344.3**	3 533.3
Group management	**3 414.8**	**1 510.1**	**11 703**	**1 920.7**	**–**	**–**	**1 270.0**	**49.2**	**8 164.8**	**4 974.1**
2009										
Philip Mosimann, CEO	700.2	267.6	4 960	525.3	3 600	131.2	256.6	19.2	**1 900.1**	987.0
Other members	2 129.8	676.7	3 476	368.1	14 400	524.7	811.8	30.0	**4 541.1**	2 836.5
Group management	**2 830.0**	**944.3**	**8 436**	**893.4**	**18 000**	**655.9**	**1 068.4**	**49.2**	**6 441.2**	**3 823.5**

The shares awarded to group management members for the reporting year are based on the new 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 was calculated using the average share price of CHF 136.00 for the year and those under the Bucher Share Plan using a share price of CHF 185.00, representing the average share price during the first three weeks of January 2011. All shares awarded were valued at CHF 185.00.

Directors' interests in shares at 31 December

	Number of shares	
	2010	**2009**
Rolf Broglie, chairman	12 239	12 039
Thomas W. Hauser, deputy chairman	1 070 407	1 070 060
Ernst Bärtschi	2 778	2 494
Thomas W. Bechtler	2 160	4 061
Claude R. Cornaz	4 648	7 814
Anita Hauser	101 160	100 876
Heinrich Spoerry	1 852	1 568
Directors	**1 195 244**	**1 198 912**

The directors did not hold any share options on 31 December 2010.

Group management's interests in shares and share options at 31 December

		Number of shares		Number of options	
		2010	**2009**	**2010**	**2009**
Philip Mosimann	CEO	42 900	37 940	15 300	15 300
Roger Baillod	CFO	10 964	10 054	7 800	9 000
Jean-Pierre Bernheim	Bucher Vaslin	8 018	7 994	11 680	12 000
Michael Häusermann	Bucher Municipal	5 169	4 859	12 000	12 000
Martin Jetter	Emhart Glass	1 019	959	8 400	10 200
Michel Siebert	Kuhn Group	3 576	1 844	10 200	10 200
Daniel Waller	Bucher Hydraulics	4 909	4 599	11 400	12 000
Group management		**76 555**	**68 249**	**76 780**	**80 700**

		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	2 700	1 800	**15 300**
Roger Baillod	CFO	2 400	2 400	2 400	600	–	**7 800**
Jean-Pierre Bernheim	Bucher Vaslin	2 400	2 400	2 400	2 400	2 080	**11 680**
Michael Häusermann	Bucher Municipal	2 400	2 400	2 400	2 400	2 400	**12 000**
Martin Jetter	Emhart Glass	2 400	2 400	2 400	1 200	–	**8 400**
Michel Siebert	Kuhn Group	2 400	2 400	2 400	1 800	1 200	**10 200**
Daniel Waller	Bucher Hydraulics	2 400	2 400	2 400	2 400	1 800	**11 400**
Group management		**18 000**	**18 000**	**18 000**	**13 500**	**9 280**	**76 780**

The previous share option plans were replaced by the new Bucher Share Plan last year so no share options were granted for 2010. Share options granted in respect of previous reporting years remain valid as originally provided. Each option entitles the holder to purchase one share.

Investor relations

At 31 December		2010	2009	2008	2007	2006
Share capital						
Registered shares						
Par value	CHF	0.20	0.20	0.20	0.20	0.20
In issue and ranking for dividend	number	10 565 900	10 565 900	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	542 516	564 765	597 315	630 057	689 590
Issued share capital	CHF million	2.1	2.1	2.1	2.1	2.1
Market capitalisation and dividends						
Market capitalisation	CHF million	1 845.9	1 186.6	1 109.4	2 757.7	1 397.9
As % of equity	%	251	152	133	320	195
Gross dividend per registered share	CHF	3.00[1]	2.00	4.50	5.00	2.50
Total dividend	CHF million	31.7[1]	21.1	47.5	52.8	26.4
Payout ratio	%	33.2[1]	n.a.	32.7	30.9	27.7
Per share data						
Profit for the year						
Basic earnings per share	CHF	9.5	–2.6	14.4	17.1	9.6
Diluted earnings per share	CHF	9.5	–2.6	14.3	16.9	9.5
Cash flow	CHF	26.0	23.9	10.3	16.8	15.7
Equity	CHF	69.7	73.9	79.1	81.7	67.8
Year high	CHF	175.0	126.9	305.5	287.0	134.0
Year low	CHF	111.6	69.0	88.9	134.0	94.0
Year-end price	CHF	174.7	112.3	105.0	261.0	132.3
Average price	CHF	136.0	105.9	214.0	198.1	115.7
Average yield	%	2.2[1]	1.9	2.1	2.5	2.2
Average daily trading volume	number	16 697	18 331	23 166	19 731	16 992
Price/earnings ratio (year-end price)		18.3	–43.1	7.3	15.3	13.9

[1] 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:

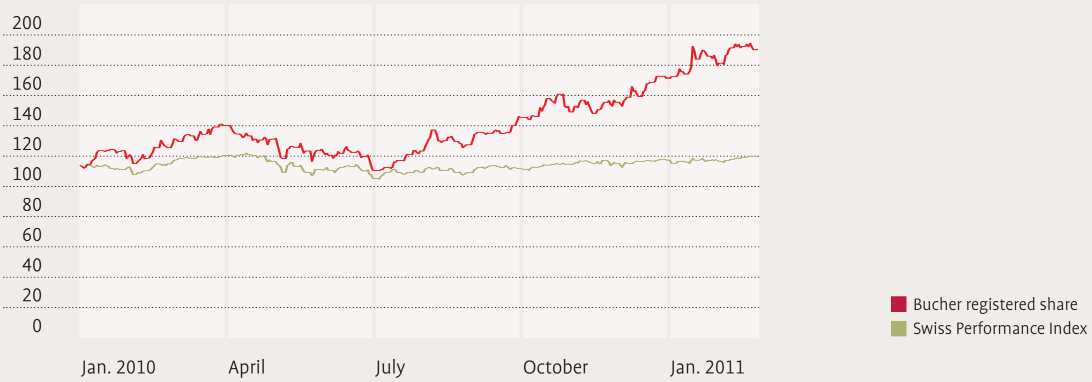
Security No.	243217
ISIN	CH0002432174
SIX Swiss Exchange	BUCN
Reuters	BUCN.S
Bloomberg	BUCN SW

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

Financial calendar

Annual general meeting (Mövenpick Hotel, Regensdorf)	14 April 2011	4.00 pm
First trading date ex-dividend	18 April 2011	
Dividend payment	21 April 2011	
Release of first quarter 2011 group sales	28 April 2011	
Interim report 2011	9 August 2011	
Release of third quarter 2011 group sales	27 October 2011	
Release of 2011 group sales	2 February 2012	
Annual press conference	15 March 2012	9.00 am
Annual analyst conference	15 March 2012	2.30 pm
Publication of annual report 2011	15 March 2012	
Annual general meeting (Mövenpick Hotel, Regensdorf)	12 April 2012	4.00 pm
First trading date ex-dividend	16 April 2012	
Dividend payment	19 April 2012	
Release of first quarter 2012 group sales	27 April 2012	
Interim report 2012	9 August 2012	
Release of third quarter 2012 group sales	26 October 2012	

Share price performance CHF



Contact

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"Kuhn's i tech is a remarkable online service allowing us Kuhn partners to provide farmers with even faster and better service day and night."

Jacques Gabillet, Kuhn specialist dealer, managing director, Gabillet, France

All the answers at a click

When time is of the essence and a farmer suddenly needs technical assistance, our dealer can find the answer right away: Kuhn's i tech online service is a competent resource there for him around the clock.

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. Its wide range of products is tailored to suit the needs of all agricultural operations worldwide, including large farms and contractors. The division has production facilities located in France, the Netherlands, the USA and Brazil.

Highlights

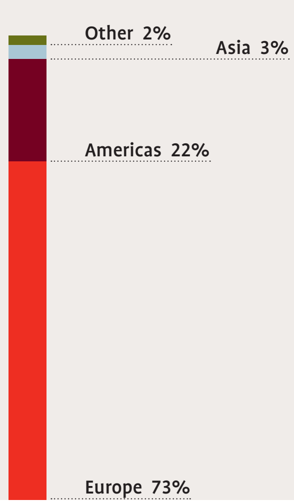
After adjustment for currency effects, Kuhn Group boosted order intake 42%, or 33% in Swiss francs to CHF 976 million. At CHF 851 million, sales fell 10% short of the previous year, 4% after adjustment for currencies. Despite significant currency effects and excluding the CHF 64 million impairment on goodwill in the previous year, operating profit still rose to CHF 78 million, an increase of 10%. Excluding one-off effects of the previous year, the operating profit margin improved from 7.5% to 9.2%. Kuhn Group accounted for 42% of Group sales (2009: 44%).

Key figures

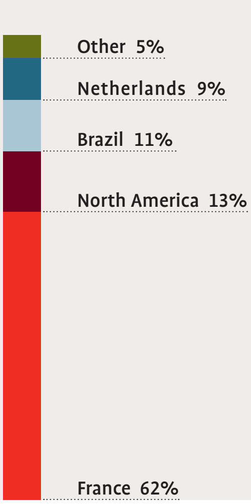
CHF million	2010	2009
Order intake	976.1	735.4
Net sales	851.2	948.4
Order book	356.8	246.0
Operating profit (EBITDA)	113.1	109.4
Operating profit (EBIT) before impairment	78.2	71.1
Operating profit (EBIT)	78.2	7.4
Number of employees at 31 December	3 593	3 152
Average number of employees during year	3 401	3 438

Geographical analysis

Net sales



Number of employees



Market development varied Markets for specialised agricultural machinery developed differently both regionally and over time. The first half of the year was still impacted by dealers' excess inventories and uncertainty regarding the development of prices for agricultural products and equipment as well as by the availability of loans. These market conditions improved significantly during the second half of the year. The increase in prices for milk, wheat, maize and soy, in particular, had a positive impact on farmers' willingness to invest. Russia's ban on wheat exports due to the extreme drought contributed to higher prices. Recovery could already be clearly felt at the beginning of the year in North America. Milk farms profited from increasing milk prices and decreasing feed prices while price levels for meat-production operations remained stable. South America saw continued development following massive slumps in the previous year. Australia's spring brought an end to the multi-year drought, which was then followed by a summer of widespread flooding in some regions. The positive mood during the second half of 2010 translated into generally good order intake levels for dealers with deliveries scheduled for spring of this year.

Demand picks up around the globe This year Kuhn Group benefited from rising global demand. In local currencies, order intake rose 41.9%, 32.7% in Swiss francs, to CHF 976.1 million. The division's sales recovered during the second half of the year to end at CHF 851.2 million, only 4.2% short of 2009 after adjustment for currency effects. In Swiss francs the decline was 10.2% due to substantial currency effects. Brisk demand for livestock bedding and tillage machinery, in particular, contributed to the good business performance in Europe. Difficult market conditions during the first half of the year had the greatest impact on feed mixers required for raising cattle and sprayer sales. In the USA, the division benefited from a great improvement in the order situation across all product segments which led to good capacity utilisation. Overall demand in Brazil remained on a par with last year. Competition intensified until the middle of the year as a result of competitors' aggressive sales campaigns. They aimed to reduce sometimes excessive inventories. Despite unfavourable exchange rates and the drop in sales, the division still boosted its operating profit by 10.0% to CHF 78.2 million excluding impairment charges to goodwill of CHF 63.7 million in the previous year. The operating profit margin was 9.2%. A high level of cost awareness, austerity measures and ongoing optimisation of operational procedures also contributed greatly toward improving operating profit. Through targeted production management and close cooperation with dealers, the division kept inventories at the plants and in distribution channels at a normal level.

Integrated acquisitions Kuhn Group focused on integrating its acquisitions during the year under review. After incorporating the sprayers of Kuhn-Blanchard into the Kuhn dealer network in 2009, this year the focus was on introducing the division's methods and processes in the areas of product development, production systems and distribution. New staff were hired at Kuhn-Blanchard, formerly a family-run business, and the company benefited from the enormous industrial experience of Kuhn Group. The lively, intense exchange of information and ideas was eased by the manufacturing facilities of Kuhn-Huard and Kuhn-Audureau which are located nearby. Particularly positive was the great willingness of Kuhn-Blanchard staff to take over processes as quickly as possible. This made it possible to smoothly take over production planning and control system based on the Kuhn dealer network's rolling requirement planning. At Kuhn-Geldrop in the Netherlands, Kuhn processes were introduced and the takeover of the new product portfolio including balers and

Division management

Michel Siebert,
division president

Jean-Luc Collin,
production

Jeannot Hironimus,
research and development

Dominique Schneider,
finance and controlling

Roland Rieger,
sales

Philippe Lang,
supply chain

Hervé Arlot,
Kuhn-Huard SA

Guy Rostoucher,
Kuhn-Audureau SA

Dominique Devillers,
Kuhn-Blanchard SAS

Didier Vallat,
Kuhn-Geldrop B.V.

Thierry Krier,
Kuhn North America, Inc.

Mario Wagner,
Kuhn do Brasil S/A

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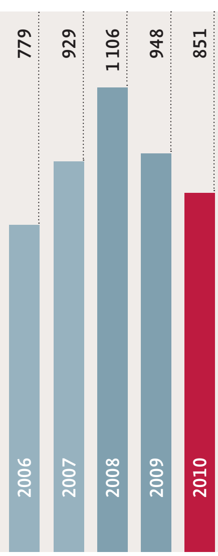
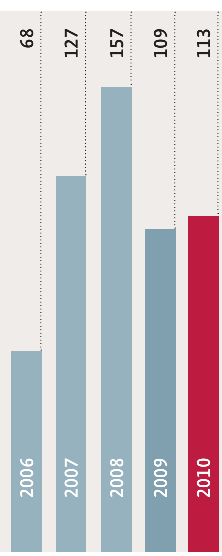
bale wrappers as well as other forage harvesting machinery into Kuhn's dealer network was pushed ahead. This challenging transition in the distribution net-work was successfully completed in late August of the year under review. The division began launching balers and bale wrappers in North America; thanks to Kuhn North America's strong ties, the first year yielded promising results.

Product innovations Consistency, continuity and innovation are key in product development. Kuhn Group therefore continued to renew the product portfolio during the year under review and introduced numerous new innovations in all ten product families. Kuhn Group has been putting the skills and customer proximity of the companies within the division to targeted use for several years. Typical examples of this include joint R&D projects in the area of livestock bedding between Kuhn Saverne and Kuhn North America or in the area of fertilisation between Kuhn Brazil and its long-term partner Rauch Landmaschinen GmbH, Germany. The results of this global R&D work became more concrete in 2010 with the launch of an innovative series of tractor-drawn mowers in North America and a high-tech fertiliser spreader in Brazil. Kuhn Group will intensify this successful global development strategy in future and use its expertise to create new generations of machines that satisfy the requirements of future customers. Work continued on the further development of the Isobus terminal at the Competence Centre Isobus (CCI) which was founded by Kuhn Group together with five other leading European agricultural machinery manufacturers. More and more companies are adding the CCI terminal's innovative design to their line of products.

Net sales
CHF million



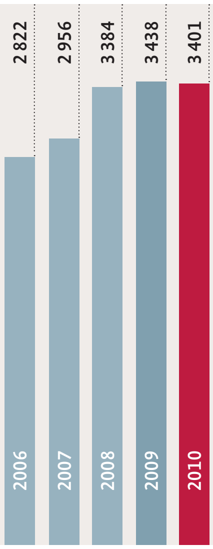
Operating
profit (EBITDA)
CHF million



Partnership with Rauch In February of this year, Kuhn Group intensified its long-term partnership with Rauch Landmaschinen GmbH through the acquisition of a 24% minority interest in the form of newly issued capital. This financial interest will create the best possible conditions for even closer cooperation, specifically for successful expansion to countries further afield like North and South America. Kuhn Group benefits from Rauch's expertise in the areas of fertiliser spreaders and pneumatic seed drills while Rauch can take advantage of the Kuhn Group's expertise in tillage, seeding and strong global distribution network. Rauch had 300 employees during the 2009/2010 business year and generated sales of EUR 42 million.

Outlook for 2011 No changes will be made to the good long-term agricultural forecast. This was developed based on a growing world population, changing eating habits with increasing consumption of meat and dairy products as well as the need to increase the per-hectare yields of agricultural products. Together with these basic factors and prices for agricultural products which are expected to continue increasing during the year, Kuhn Group expects a positive market environment in its main regions: Western Europe, North America and South America. Eastern Europe, as well, is likely to see noticeable yet low-level recovery. During 2011, uncertainty is likely to stem not only from the climate's usual unpredictability but also exchange rates. In local currencies, Kuhn Group expects 2011 to bring a considerable rise in sales and a greater increase in operating profit.

Average number of employees during year



"Roadshows bring new sweeper models to market quickly. Provided free of charge, Bucher's demo machines and personal instruction are an invaluable help to us."

Jan Rhodén, managing director, Ströman Maskin AB, Sweden

Hands-on testing for a sure choice

Our dealers invite their customers to a roadshow: Bucher's experts demonstrate the latest generation of sweepers, giving customers the opportunity to experience the technical merits of each model hands-on and be sure they are choosing the right machine.

Bucher Municipal

Activities

Bucher Municipal is a world leading supplier of municipal vehicles for cleaning and removing snow from public and private areas. Its range of products encompasses compact and truck mounted sweepers, winter maintenance equipment and refuse collection vehicles. The division has production facilities located in Switzerland, Germany, the UK, Italy, Denmark, Latvia, Australia and South Korea.

Highlights

In a contracting market environment, Bucher Municipal was able to hold its own and increase its market share. Sales declined 4% to CHF 373 million yet this translated to a 1% increase after adjustment for currencies and divestments. Order intake amounted to 381 million which exceeded that of the previous year by 3%, 6% after adjustment for currencies and divestments. Despite high pressure on margins as a result of the drop in demand, the division still boosted its operating profit from CHF 15 million to CHF 27 million, whereby the previous year was impacted by restructuring costs of CHF 10 million. Bucher Municipal accounted for 18% of Group sales (2009: 18%).

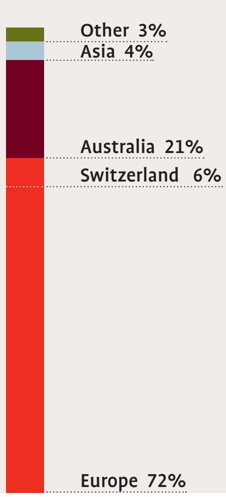
Key figures

CHF million	2010	2009[1]
Order intake	380.6	371.0
Net sales	373.0	386.6
Order book	88.6	81.3
Operating profit (EBITDA)	35.2	22.9
Operating profit (EBIT)	27.3	15.0
Number of employees at 31 December	1 334	1 318
Average number of employees during year	1 346	1 375

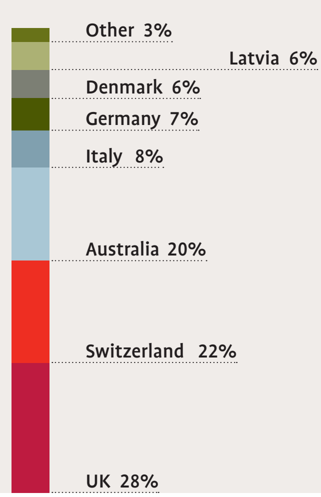
[1] Excluding Bucher Landtechnik (transferred to Bucher Specials)

Geographical analysis

Net sales



Number of employees



Weaker market environment After the market had already contracted by more than 20% in 2009, the enormous national debt of European countries and communities triggered another 8% drop in demand for sweepers in Europe. During the year under review, government budgets had not yet been hit by the brunt of the announced austerity measures. Competitive pressure increased nevertheless and competition for projects with public tenders was fierce. On a positive note, the long, hard winter of 2009/2010 as well as the early, severe onset of winter toward the end of the year under review revived demand for winter maintenance equipment. The impact of strong currency fluctuations differed. While exports from the plant in the UK benefited from the weak British pound, the strong Swiss franc put a damper on exports from Switzerland. This disadvantage could at least be mitigated in part by larger procurement volumes from the euro zone.

Business performance In a contracting market environment, Bucher Municipal was able to hold its own and increase its market share. The main markets in Europe, Australia and North America all declined to the same degree. Nevertheless, order intake rose 2.6%, 6.1% after adjustment for currencies and divestments, to CHF 380.6 million. There was a 3.5% drop in sales to CHF 373.0 million. After adjustment for currencies and divestments, however, the division increased its sales by 0.5%. The divestment concerned the project business for airport snow sweepers and snow blowers which was sold in spring 2010. Thanks to flexible production capacities and the modular spreader line, the division profited from two consecutive, harsh winters and set a new record in terms of the number of units delivered. The major order from the city of St. Petersburg, Russia, a hotly-contested order for 88 spreaders and snowploughs, contributed to the good results for winter maintenance equipment. Based on its good experiences, the city of Berlin placed a follow-up order for 24 small CityCat 2020 sweepers. Toward the end of the year under review, demand tapered off slightly. The order book of CHF 88.6 million exceeded that of the previous year by 9.0%. Operating profit rose from CHF 15.0 million to CHF 27.3 million. The previous year was impacted by restructuring costs of CHF 10.0 million. Despite adverse currency movements and fierce pressure from the competition, the division still achieved an operating profit margin of 7.3% which clearly attests to the division's enormous efforts to achieve cost leadership.

Next generation of sweepers After intense research and development work, the division successfully launched its new generation of two sweeper models during the year under review. The new sweepers are modular in design and sufficiently standardised so that as many parts as possible can be shared throughout the same product family. The new 1 m^3 compact sweepers, the Bucher Schörling CityCat 1000 and the Johnston CN 100, were presented to the international dealers of Bucher Municipal in spring 2010. The new CityFant 6000 was approved for sale in autumn. Several demonstration vehicles were delivered to various countries during the year under review and customer resonance was high. The new generation of sweepers not only meets customers' expectations in terms of user friendliness, environmental friendliness and sustainability but also the division's own requirements for cost efficient manufacturing. Other features of the new generation include high suction capacity combined with low noise generation, high cost effectiveness, ease of serviceability and maintenance as well as reliability.

Expansion of Bucher Schörling Baltic The division expanded its component and assembly plant in Latvia with the addition of hopper and chassis manufacturing facilities. The capital investment of CHF 6 million mainly covered the building expansion, a factory nearly 3000 m^2 in size, as well as machines for the new manufacturing processes metalwork and painting.

Division management

Michael Häusermann,
division president

Jürg Hauser,
finance und controlling

Stefan Söhlemann,
Bucher Schörling

Coen van Rosmalen,
Johnston Sweepers Ltd.

Peter Rhodes,
Beam A/S

David Waldron,
MacDonald Johnston Ltd.

Michael Häusermann (ad interim),
Winter maintenance

Guido Giletta,
Giletta S.p.A.

Wilfried Müller,
Gmeiner GmbH

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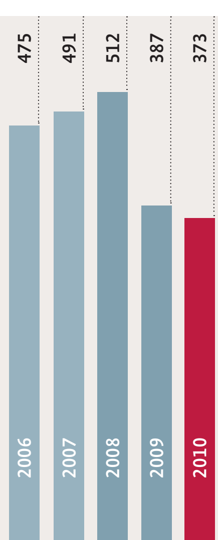
During stage one of expansion, chassis and hopper manufacturing for the new 1 m³ sweeper was launched and the welding shop took up operations in the new factory. The new paint shop has been operating successfully since the start of the current year. Production in the other metalwork facility with laser cutting, forming and rolling processes is scheduled to start mid-year. By expanding its own production capacities, the division can ensure not only the high quality of the components it produces but also timely delivery and price stability.

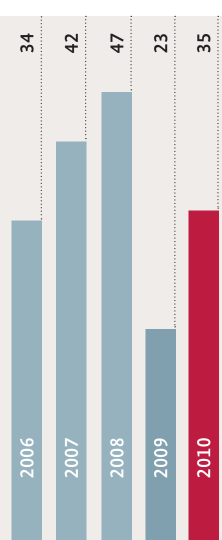
Bucher Municipal celebrates 10 years in Korea In 2000 the division founded an assembly plant in South Korea which then received approval from the Korean government to participate in public tenders five years later. This small, efficient plant manufactures Bucher Schörling truck mounted sweepers predominantly intended for the Asian market. While some 90% of the components were originally produced in Europe, today 100% of the components can be manufactured in Korea and surrounding Asian countries.

Streamlined range of winter maintenance equipment Bucher Municipal took another step toward improved efficiency during the year under review. The division focused its range of winter maintenance equipment on series-produced spreaders and snowploughs and sold its project business for airport snow sweepers and Rolba snow blowers to Swiss-based Zaugg AG in Eggiwil. While projects caused sales figures to fluctuate greatly, this activity enabled the division to generate CHF 18 million in sales in 2009 with 36 employees. Those employees in Niederweningen affected by the sale had the opportunity to switch to the sweeper segment and continue working in comparable positions.

Net sales
CHF million



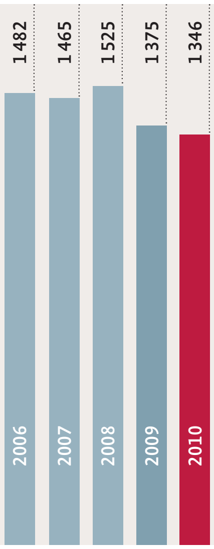
Operating
profit (EBITDA)
CHF million

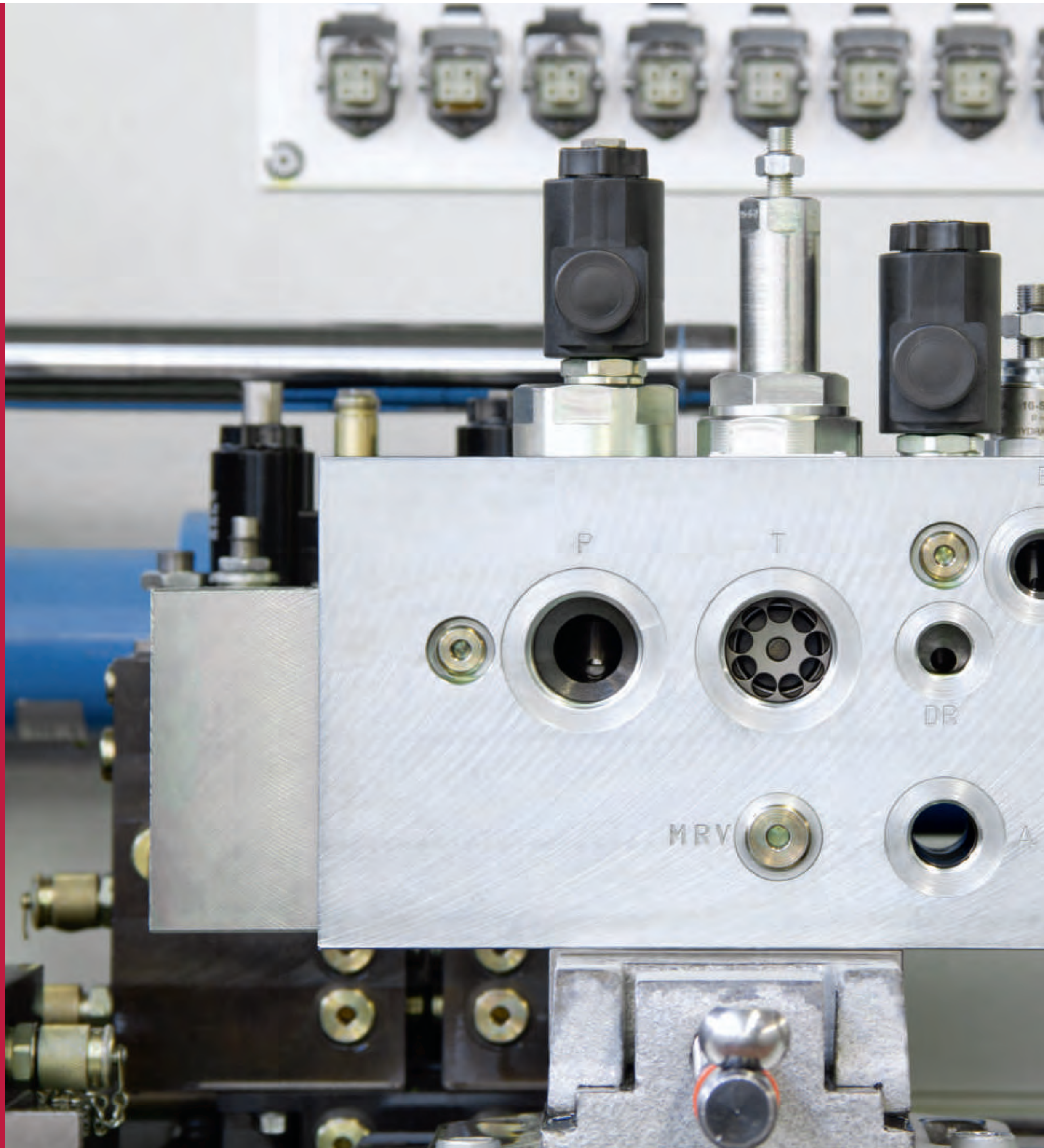


Product innovation and sustainability Despite the adverse financial situation of the public sector, demand from cities and municipalities for low-emission, even emission-free municipal vehicles is rising steadily. After taking an in-depth look at this situation in 2010, Bucher Municipal has chosen to focus on reducing dust and noise generation as well as alternative drive concepts using hybrid, electric and fuel cell drive systems. Future development work will focus on implementing these engine concepts in practical, economical solutions for operators. The insights gained from the experimental deployment of the hydrogen-powered CityCat H_2 sweeper with a fuel-cell system in the city of Basel will play a large role in these efforts.

Outlook for 2011 High levels of debt in countries and municipalities have prompted various authorities to announce efforts to cut costs, radically in some cases, some of which have already been implemented. Sweeper projects, in particular, are impacted by these measures. Demand for winter maintenance equipment is less likely to be impacted since it is vital to the safety of motorists and cyclists. The launch of the new generation of sweepers and expansion of cost-effective manufacturing of core components in the Latvian plant should help reduce market and currency effects. Bucher Municipal therefore expects 2011 sales to decline slightly and the operating profit margin to be on a par with the previous year.

Average number of employees during year





“Digital work vastly speeds up the time to production of a hydraulic solution. A convincing system that saves both time and money.”

Joaquin Carrasco, managing director, Jaybe Servicios Tecnicos S.L., Spain

In perfect shape for production

What sounds abstract quickly takes shape: our hydraulic solution. We develop it hand in hand with the customer directly on screen, designing the digital concept to deliver the perfect three-dimensional product to our customer tomorrow.

Bucher Hydraulics

Activities

Bucher Hydraulics is an international leader in the design and manufacture of custom mobile and industrial hydraulic system solutions. Its wide array of products encompasses pumps, motors, valves, power units, elevator drives and control systems with integrated electronics. With manufacturing facilities in Europe, the USA, China and India, Bucher Hydraulics is never far from customers around the world.

Highlights

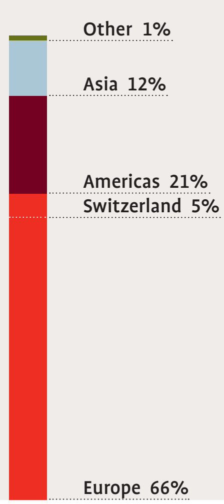
Bucher Hydraulics used its great flexibility to take advantage of the unexpectedly strong upturn. At CHF 387 million, order intake was up 40% over the previous year, 47% after adjustment for currency effects. Sales increased 16% to CHF 371 million, 22% after adjustment for currency effects. The order book reached CHF 63 million which represents a return to more normal levels with an order backlog of around two months. Cost-cutting measures implemented during the previous year were highly effective so that the operating profit, which was impacted by CHF 22 million in impairment charges in 2009, could be boosted to CHF 37 million. At 10%, the operating profit margin returned to a double-digit figure. The division accounted for 18% of Group sales (2009: 15%).

Key figures

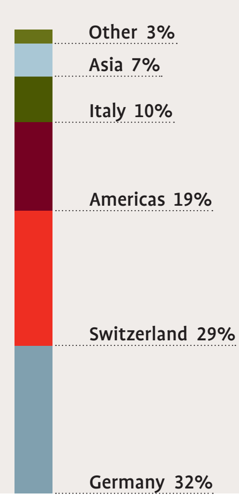
CHF million	2010	2009
Order intake	386.7	276.7
Net sales	371.4	319.8
Order book	62.9	45.6
Operating profit (EBITDA)	55.7	33.9
Operating profit (EBIT) before impairment	36.9	13.7
Operating profit (EBIT)	36.9	–8.5
Number of employees at 31 December	1544	1317
Average number of employees during year	1451	1340

Geographical analysis

Net sales



Number of employees



Highly dynamic market environment As a result of the inventory cycle effect, the component supply business has suffered fluctuations during the past two years that have exceeded those of the corresponding market segment. This extreme cyclicality held on during both the upturn and the downturn. While the previous year experienced an abrupt drop in demand, a strong upturn took hold in all main markets at the start of 2010. The extent of this upturn considerably exceeded expectations in terms of strength, speed and regional spread. In all main markets of Bucher Hydraulics in Europe, the USA, India and China, the construction equipment segment in particular made a significant contribution toward growth. In China, demand in the materials handling segment has picked back up. In buyer markets, inventory reduction efforts made rapid progress and those, combined with an increase in demand, contributed to the division's positive performance. Extremely dynamic markets during the first half of the year settled down to a sustainable level during the second half. Customers' inventories returned to a normal level by the third quarter. With two key production plants in Switzerland, the effects of the strong Swiss franc were felt very strongly.

Brisk project activity Bucher Hydraulics could benefit greatly from the upturn on buyer markets. Considerably reduced capacities from the previous year along the entire supply chain were fully utilised and the suppliers of Bucher Hydraulics started seeing first supply bottlenecks. Targeted production planning and highly flexible capacities still enabled the division to make its deliveries on time. In this positive business environment, the division boosted its sales by 16.1%, 21.7% after adjustment for currency effects, to CHF 371.4 million. Bucher Hydraulics managed this increase in sales primarily through the use of temporary staff and targeted hiring for permanent positions. At CHF 386.7 million, order intake was up 39.8% over the previous year, 46.6% after adjustment for currency effects. The division's broad regional presence and great proximity to customers have enabled it to successfully handle any large-scale, important customer projects for developing innovative hydraulic solutions and control systems. Increased project work makes Bucher Hydraulics confident about the years to come. At a value of CHF 62.9 million, the 2010 order book exceeded that of 2009 by 37.9%, 45.4% after adjustment for currency effects, thus putting it back within the normal two-month range for unfilled orders. With good utilisation of capacities and the cost-cutting measures implemented during the previous year, the division generated operating profit of CHF 36.9 million. This is nearly triple the previous year's operating profit before impairment charges of CHF 13.7 million. With this excellent result, Bucher Hydraulics' 9.9% operating profit margin was practically back in double digits. Despite the negative effect of the strong Swiss franc, the division's performance was still outstanding.

Sales initiatives A new, division-wide, IT-based project tracking system was introduced during the year under review. In addition to qualitative criteria, this system focuses on quantitatively tracking the work performed by various regional sales centres. Particular attention was paid toward gearing this system to projects with new, innovative system solutions for existing customers and acquiring new customers. Systematic evaluation and performance analyses let the division gear its sales organisations to ideally suit promising activities and customers' needs as well as to identify any customers who are not receiving optimum support so that appropriate steps can be taken. The efforts of sales staff will be supplemented by an internal, IT-based, division-wide customer information system.

Division management

Daniel Waller,
division president

Matthias Vorbeck,
marketing

Uwe Kronmüller,
Bucher Hydraulics GmbH

Luca Bergonzini,
Bucher Hydraulics S.p.A.

Christian-Erik Thöny,
Bucher Hydraulics AG

Aurelio Lemos,
Bucher Hydraulics AG Frutigen

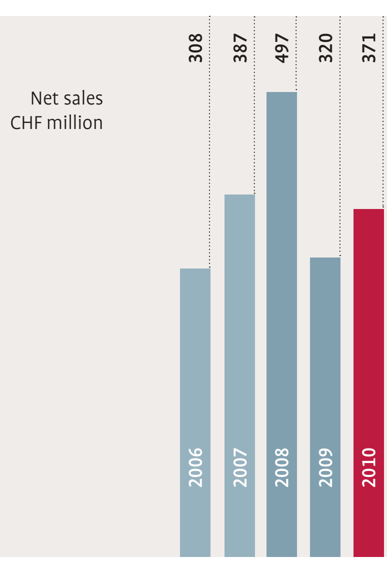
Dan Vaughan,
Bucher Hydraulics Nordamerika

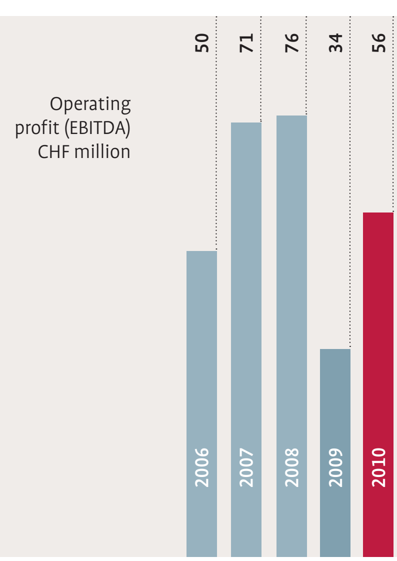
At 8 March 2011

New production hall Construction of the new production hall in Neuheim, Switzerland, which provides 4000 m^2 in additional production space, was completed in June 2010 after a construction period of around one year. As scheduled, the manufacturing equipment was installed and production began during the second half of the year. The investment of around CHF 15 million was made at the mid-point of the previous year's financial crisis. That anticyclical approach is now proving to have been an ideal way to prepare the segment for the upturn. This gives the Neuheim plant a considerably expanded, ultra-modern continuous manufacturing facility. The manufacturing process is set up according to the one-piece flow principle which provides the components to be assembled at the assembly and inspection cells according to the just-in-time method. The infrastructure is configured in such a way that sales at the Neuheim location can be doubled through a gradual expansion in manufacturing equipment.

Product innovation Strict emission regulations which necessitate extensive changes to the motor and cooling system are gaining ever greater importance in the area of selfpropelled construction equipment and agricultural machinery. These changes mean that both machine manufacturers as well as Bucher Hydraulics, as a system supplier, need to intensify their efforts when designing the technical aspects of new generation of machines. Bucher Hydraulics was able to put new valves and gear pumps for cooling motors into serial production during the year under review. Some of these new products have already been integrated into production by select key customers and will be put to use in the new generation of machines within the next few months.

ECOdraulics – the more intelligent solution The customers of Bucher Hydraulics, such as manufacturers of mobile machines or even providers of stationary plants, are finding themselves confronted with increasingly high environmental and safety requirements. To meet these needs, Bucher Hydraulics has set itself the goal of taking these strong trends

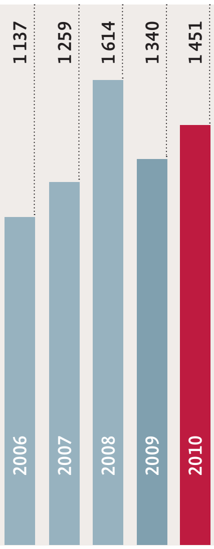




toward energy efficiency, environmental protection and increased functionality into consideration over the long-term. The division has pooled select products, manufacturing processes and services under the ECOdraulics label which generally support one or more of these trends during the construction of hydraulic system solutions and in the work processes employed. All of the division's products designated under the ECOdraulics label underwent an internal evaluation procedure and meet at least one of the following criteria: reduced energy consumption, lower emissions such as noise and waste heat, preservation of all types of resources and optimisation through system design. One example is the use of frequency-controlled QXM internal gear drives in place of conventional proportional valve technology. The new drive achieves energy savings of up to 60% while simultaneously cutting down on noise emissions. ECOdraulics is a guiding principle which has an impact on every step of the process, from component construction to system development to manufacturing using an environmental management system in accordance with the ISO 14001 standard, and which also supports the customers of Bucher Hydraulics.

Outlook for 2011 Bucher Hydraulics anticipates continued growth in sales markets in the key markets – Europe, the USA, India and China. Certain key customer projects are also likely to have a positive impact on sales performance. The two Swiss plants are responding to the uncertain currency situation with product innovations as well as measures to both boost efficiency and cut costs. All in all, Bucher Hydraulics expects 2011 to bring a further increase in sales and higher operating profit.

Average number of employees during year



"The expertise provided by Emhart Glass allows us to improve the efficiency and profitability of our glass container manufacturing operation."

Brian Rodger, Group Operation Director, Consol Glass, South Africa

Help and solutions from one source

As the world's largest manufacturer of glass forming machinery, we're committed to the glass container industry: and so we also offer expertise covering every aspect of the glass container manufacturing process. Our specialists develop and test complete solutions to optimise our customers' production lines.

Emhart Glass

Activities

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. The division's manufacturing facilities are located in Sweden, the USA and Malaysia. Emhart Glass is headquartered in Switzerland and has a research and development centre in the USA.

Highlights

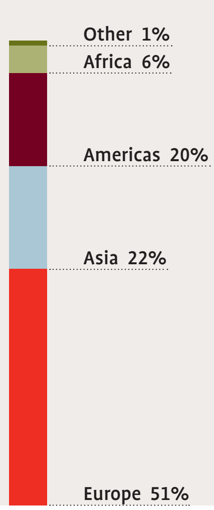
The late-cyclical, capital-intensive business of Emhart Glass was still suffering severely from the downturn during the year under review. Project activity only began to pick up during the second half of the year which saw order intake rise 23% to CHF 285 million, 34% after adjustment for currency effects. Sales declined by 15%, 7% after adjustment for currency effects, to CHF 259 million. Not only the drop in sales but restructuring costs of CHF 5 million as well as the negative impact of foreign currency movements caused by the strong Swedish krona and Swiss franc against the euro had an adverse effect on operating profit. With an operating result of CHF 3 million, the division generated a slight profit. Emhart Glass accounted for 13% of Group sales (2009: 14%).

Key figures

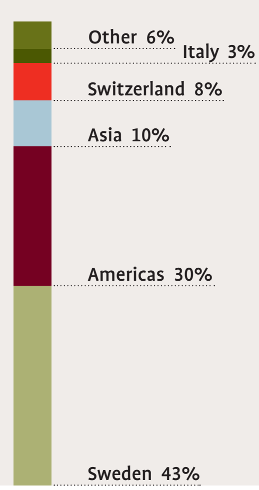
CHF million	2010	2009
Order intake	285.2	232.4
Net sales	259.3	303.7
Order book	109.7	91.5
Operating profit (EBITDA) before restructuring	16.1	21.3
Operating profit (EBIT) before restructuring	8.0	12.2
Operating profit (EBIT)	3.0	12.2
Number of employees at 31 December	874	871
Average number of employees during year	869	909

Geographical analysis

Net sales



Number of employees



Late-cyclical market environment The capital-intensive, late-cyclical glass container industry was still strongly impacted by the crisis until mid-2010. It was only during the second half of the year that the market began to recover, which then translated into a considerable increase in project work and order intake. In the growth markets of Asia and South America, demand for simpler standard machines picked up again. Mature markets in Europe and North America, on the other hand, remained particularly cautious during the first half of the year. Demand only revived following the Glasstec trade fair in Düsseldorf in late September 2010 and this brought a more relaxed attitude toward investments among customers. In Asian markets, as well, particularly in China and India, demand for glass containers rose considerably. These positive signs toward the end of 2010 are clear indications that the slump is over.

Lowest ebb has been passed Following a strong period of growth from 2006 to mid-2008, investments slumped in the glass container industry in 2009 and 2010 and hit a ten-year low in the year under review. As the market leader, Emhart Glass was also hit hard. Customers' projects which had been cancelled or postponed during the previous year remained on hold until summer 2010. The second half of the year and in particular the strong fourth quarter could no longer make up for ground lost during the first half of the year. Emhart Glass generated sales of CHF 259.3 million in this turbulent market environment. That amounts to a 14.6% decline year-on-year, 6.7% after adjustment for currency effects. Order intake recovered in autumn 2010 and, at CHF 285.2 million, considerably exceeded the previous year's figure by 22.7%, 34.0% after adjustment for currency effects. Glass forming and inspection machines benefited most from this turn of events while the spare parts business remained relatively stable. At CHF 109.7 million, the order book was up a considerable 19.9%, or 30.9% after adjustment for currency effects. Together with the major CHF 40 million order from Hindustan National Glass & Industries, India, which was not yet included in the order book at the end of 2010, capacities at Emhart Glass will be utilised significantly better than the previous year. In 2010 the division undertook further restructuring measures which incurred costs of some CHF 5 million. The Swedish krona's sharp 13% rise versus the euro had a negative impact on profitability in the division, which has two facilities for the manufacturing of glass forming machines in Sweden where some 40% of its workforce are employed. The operating profit amounted to CHF 3.0 million.

Structural measures The persistently difficult market situation forced the division to further simplify its structures. Emhart Glass closed the plant in Italy and integrated its activities into the plants already in operation in Malaysia and Sweden. Both plants manufacture glass forming machines and components in accordance with the same Emhart Glass quality standard whereby the Swedish assembly facility in Sundsvall is specially geared to meet the needs of western customers and the plant in Malaysia is mainly geared toward customers in Asia. The modern component plant in Örebro, Sweden, is scheduled for further modernisation and will continue to focus on the manufacturing of top-performance components as it has in the past. The implementation of these structural changes began in mid-2010 and should probably be completed during the second half of the current year. Emhart Glass expects these measures to help it improve profitability considerably from 2012 onward. The accompanying restructuring costs of CHF 5 million were expensed to 2010.

Division management

Martin Jetter,
division president

Bertil Bjugård,
logistics and manufacturing

William Grüninger,
customer service and projects

Jeffrey D. Hartung,
inspection machines

Matthias Kümmerle,
technology

Edward Munz,
business development

Franco Venturelli,
sales

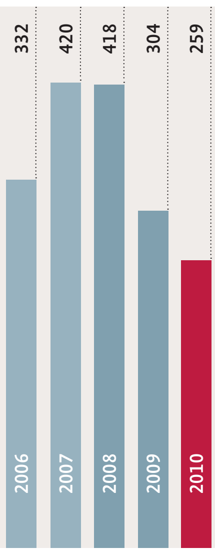
Ngiap Lin Wong,
finance and controlling

At 8 March 2011

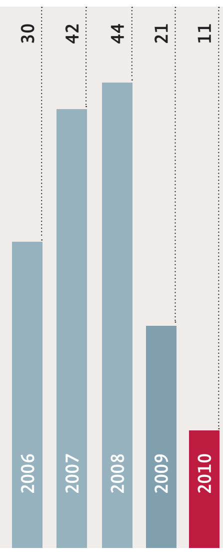
Spare parts and turnkey projects Working together with select customers, a specialised team at Emhart Glass drew up a concept that guarantees delivery of spare parts within 48 hours of receipt of the order. Following successful testing with a pilot customer, the division introduced the new offering for all S-class spare parts. In order to professionally handle enquiries for turnkey systems, Emhart Glass and complementary suppliers of glass production lines founded the Container Glass Alliance. This alliance comprises market leaders for equipment used for the individual manufacturing steps in a glass container manufacturing line whereby Emhart Glass covers the glass forming and inspection portion. The alliance guarantees customers a turnkey offer with leading products.

Development of tempered glass Thanks to the excellent infrastructure available at the Research Centre, the division was able to make sufficient progress in its tempered glass manufacturing process in 2010 that it could begin searching for and selecting a pilot customer. Requirements placed on pilot customers are high. Not only must they be capable of operating challenging, technical equipment at their plant 24 hours a day to comply with technical requirements, they must also have a pioneering spirit and take their commitment as a partner for the industrialisation of a new manufacturing procedure very seriously. Additionally, they must be willing to share their experience and results with the glass container industry. Emhart Glass carried out numerous tests last year and in the first quarter of 2011 with several bottle tipes for a number of interested pilot customers.

Net sales
CHF million



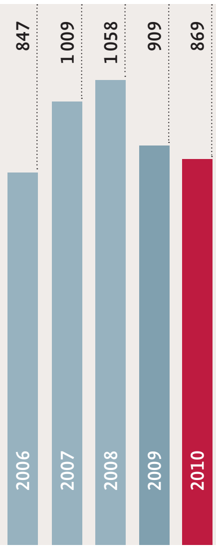
Operating
profit (EBITDA)
CHF million



Technology leadership and new products Emhart Glass invested around CHF 25 million into a glass production facility three years ago with a melting capacity of 40 tonnes/day. This Research Centre, the only one of its kind in the glass container industry, has made it possible to get tempered glass technology as well as key improvements in glass forming processes and existing machines ready for the market. That, in turn, enabled the division to present an unprecedented number of new products and innovations at the Glasstec trade fair in Düsseldorf in September 2010 and thus set itself further apart from the competition. Customers were impressed by the production speed, cooling and safety of this new generation of the BIS glass forming machines. Several different sensor systems were also presented which use mathematical algorithms to automatically optimise the parameters of the glass forming machine within a closed loop to achieve continuous improvements in both quality and output.

Outlook for 2011 The positive growth trend seen toward the end of 2010 is expected to continue in 2011. In Eastern Europe and especially in the Middle East and Asia, the glass container industry anticipates sales of glass containers to rise, which is likely to trigger brisker investment activity. As a global market leader, Emhart Glass will be able to benefit from this much friendlier market environment. The higher order book at the beginning of 2011 and the major order from India which is scheduled for delivery during 2011 should mean significantly better utilisation of the division's capacities. However, the costs of implementing the relocation from Europe to Malaysia, which is already underway, as well as foreign currency movements will probably have a significant negative impact on operating profit. The division expects sales to increase substantially during the current year and considerable improvements in profitability.

Average number of employees during year



Bucher Specials

Activities

Bucher Specials consists of independent businesses: machinery and equipment for winemaking (Bucher Vaslin), systems and machinery for processing fruit juice, drying food and dewatering municipal and industrial sludge (Bucher Unipektin) as well as the Swiss distributorship for tractors and agricultural machinery (Bucher Landtechnik).

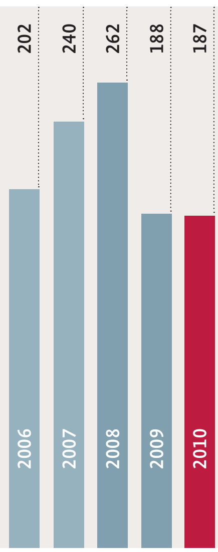
Highlights

Development within Bucher Specials' three independent businesses differed during the year under review. Business in winemaking equipment benefited greatly from product innovations and the European subsidy programme while the Swiss distributorship for tractors and agricultural machinery enjoyed stable demand. Fruit juice processing equipment, on the other hand, experienced a sharp decline. High fruit juice concentrate inventories with low market prices as well as a lack of major projects put a damper on investment activities. As a result, sales at Bucher Specials declined by 0.4% to CHF 187.0 million, but increased by 3.4% after adjustment for currency effects. At CHF 187.9 million, order intake was up 3.3% over the previous year, 7.3% after adjustment for currency effects. Operating profit of CHF 8.6 million fell short of the previous year by CHF 1.4 million. Bucher Specials accounted for 9% of Group sales (2009: 9%).

Outlook 2011

Bucher Specials expects demand for winemaking equipment to remain at a good level. New products will also probably add momentum. Another difficult year is anticipated for fruit juice processing equipment with slight recovery to continue at a low level. Dewatering technologies for industrial and municipal sludge are expected to see renewed demand, particularly in the industrial area. The Swiss distributorship for tractors and agricultural machinery anticipates a positive performance thanks to the addition of Kuhn products to the distributorship's product portfolio. All in all, Bucher Specials expects 2011 to bring increased sales and higher operating profit.

Net sales
CHF million



Key figures

CHF million	2010	2009
Order intake	187.9	181.9
Net sales	187.0	187.7
Order book	45.0	42.9
Operating profit (EBITDA)	11.0	12.4
Operating profit (EBIT)	8.6	10.0
Number of employees at 31 December	535	506
Average number of employees during year	553	537

Bucher Vaslin

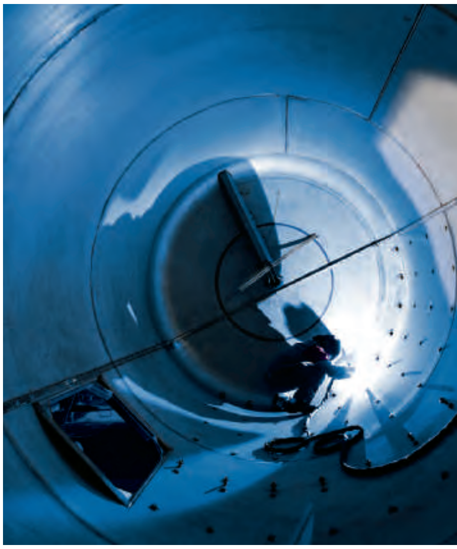
Winemaking equipment

Jean-Pierre Bernheim

Market environment The market environment of Europe's winemakers has revived considerably. Pent-up demand from the weak previous year, European Union subsidy programmes and the successful launch of new products invigorated demand. Bucher Vaslin was additionally able to increase its market share in some key markets. The devastating earthquake in Chile, South America's largest market apart from Argentina, put a stain on many wineries and they curbed their investment activities accordingly. Demand remained unsatisfactory in the remaining winemaking countries of the southern hemisphere.

Performance Bucher Vaslin put its global presence to use in the generally positive market environment and considerably boosted both order intake and sales. The successful launch of new wine filtration products, presses with online monitoring and optical sorting machines intensified demand even further. Modular product families made economies of scale possible in purchasing and production. These developments as well as the company's good utilisation of capacities in the French plants and the cost-cutting measures implemented in 2009 brought considerable improvements in Bucher Vaslin's profitability.

Complete, optimised systems Bucher Vaslin delivered three complete, high-tech winemaking lines in France and Italy during the year under review. These lines fully capitalise on the company's expertise in the production of high-quality wines using perfectly harmonised, innovative machines. The latest generation of the vibrating trailer, the optical grape sorting machine, pressing using an inert gas environment as well as sediment cross-flow filtration ensure that customers receive top wine quality and optimised production costs while still preserving the system's flexibility to adjust the process to best suit grape volumes and quality.



Bucher Unipektin

Fruit juice processing equipment and sludge dewatering technologies

Hartmut Haverland

Market environment The fruit juice market remained weak in 2010 although prices for apple juice concentrate picked back up after slumping in 2009. Following excessive investments during the boom years, apple juice concentrate processors in the main markets of China and Eastern Europe remained cautious and were reluctant to invest. The strong Swiss franc versus the euro hurt exports from Switzerland and increased pressure on margins. Initial signs of renewed vigour in project work were felt toward the end of 2010.

Performance As market leader, Bucher Unipektin could not escape the global slump and suffered another sharp drop in sales of around 20%. Major fruit juice processing projects could not be implemented. Planned orders were postponed and existing orders were scaled back. Demand for drying equipment from Asia, in particular, remained stable. In the area of sludge dewatering, follow-up orders confirmed the advantages of Bucher Unipektin's dewatering technology over traditional methods. Moreover, the company filled its first order in an industrial environment for sludge dewatering in the leather industry. Another area of application in the paper industry is on the horizon. Despite the extremely difficult market environment, Bucher Unipektin achieved a balanced result. The low manufacturing depth and flexible cost structures had a positive impact. Further cost cuts were achieved through restructuring and temporary short-time work.

Acquisition of Unipektin's engineering business During the second half of the year, Bucher Processtech acquired the operations and employees of Unipektin Engineering AG in Eschenz, Switzerland, a company specialised in fruit juice processing, in order to strengthen its fruit juice equipment business. The company changed its name to Bucher Unipektin at the same time. The acquisition complemented Bucher's strengths in the area of juice extraction with Unipektin's equipment for juice processing and the production of fruit purées. The expanded customer base and complementary distribution organisations have increased the company's global market presence.

Bucher Landtechnik

Swiss distributorship of tractors and agricultural machinery

Jürg Minger

Market environment The market for tractors and agricultural machinery in Switzerland remained stable in 2010. The trend toward increasingly powerful drive units and expanded, more high-performance functions were accompanied by higher tractor prices. Uncertainty as to how Swiss agricultural policy will develop in the future has prompted farmers to adopt a more cautious approach to investments in general.

Performance Bucher Landtechnik was able to further cement its market leadership in the area of tractors and farming equipment. In 2010 the company generated sales that slightly exceeded those of the previous year and a good profit in line with industry standards. On 1 September 2010, Bucher Landtechnik took over distribution of Kuhn's broad, comprehensive range of specialised agricultural machinery and simultaneously ceased representing Kverneland products. This change was well received by the Swiss distribution network and farmers.

Distribution of Kuhn agricultural machinery When focusing on the Kuhn product range, Bucher Landtechnik reinforced its position as leader on the Swiss market considerably. As of 1 September 2010, both farmers and farming operations have enjoyed the benefits of a uniquely broad, world-class range of Kuhn machinery for tillage, seeding technology, spraying, landscape maintenance, forage harvesting and bedding and feeding technology. This change has greatly strengthened the Swiss distribution network due to the excellent reputation of both Bucher Landtechnik and Kuhn agricultural machinery.

Financial contents

Group financial review 2010

Recovery in the markets Following the severe economic downturn a year earlier, most of the main markets in which Bucher Industries operates took a turn for the better in 2010. While the North American and Asian markets already picked up at the beginning of the financial year, the recovery was slower to take hold in Europe and the southern hemisphere. The sharp currency fluctuations with the extreme weakness of the euro and US dollar against the Swiss franc and Swedish krona significantly weighed on the Group's results in Swiss francs. Supported by the action plans put in place to cut costs and maintain liquidity, coupled with a balanced capital investment policy, the Group succeeded in weathering the financial crisis well. Bucher Industries achieved a marked improvement in profitability and posted a net cash position for the reporting year. Sales were only slightly down year on year.

The negative movements in the main currencies, the euro, US dollar and British pound, against the Swiss franc weighed significantly on sales and operating profit. The average EUR/CHF, USD/CHF and GBP/CHF exchange rates used for the income statement fell by 8.4%, 4.0% and 4.7% respectively, while the SEK/CHF rate rose slightly by 1.5%. The rates used to translate the balance sheet were lower by 15.7% for the EUR/CHF, 9.1% for the USD/CHF, 13.0% for the GBP/CHF and 3.6% for the SEK/CHF.

Changes within the Group Bucher Industries continued to attach high priority to developing its businesses last year. On 1 May 2010, the Bucher Municipal division sold the project business for airport snow sweepers and Rolba snow blowers. On 2 August 2010, the operations of Unipektin Engineering AG based in Eschenz, Switzerland, a company specialised in fruit juice processing, were acquired and combined with the Swiss fruit juice extraction equipment business. The company is continuing to operate under the new name of Bucher Unipektin AG as one of the independent businesses grouped in Bucher Specials. January 2011 brought the announcements of the acquisition of a 24.24% interest in Rauch Landmaschinenfabrik GmbH, Sinzheim, Germany, by the Kuhn Group division and the purchase of Sutter wine presses, together with the global spare parts and service business, from the Swiss-based Filtrox Group, St. Gallen, within Bucher Specials.

Order intake up by 23% Order intake rose by 23.3% to CHF 2 216.5 million, an increase of 30.4% excluding the effect of foreign currency translation. All operations recorded an improvement in order intake. Sales for 2010 were down 5.1% to CHF 2 033.7 million from the previous year's figure of CHF 2 142.1 million, but improved slightly year on year excluding the impact of foreign currency translation and adjusted for the acquisition and disposal. The acquisition and disposal had a marginal effect of 0.3%, whereas adverse currency movements had a negative impact of 5.2% on sales. Compared with the previous year's very low level, the order book grew by 30.7% from CHF 507.3 million to CHF 663.0 million, up 38.4% excluding the impact of foreign currency translation and adjusted for the acquisition and disposal. The Group's order backlog represented 3.9 months's work based on 2010 full-year sales (2009: 2.8 months).

Net sales

CHF million	2010	2009	% change
Net sales	2 033.7	2 142.1	– 5.1%
Net sales adjusted for currencies	2 145.0	2 142.1	0.1%
Net sales adjusted for acquisitions and disposals	2 030.1	2 132.2	– 4.8%
Net sales adjusted for currencies, acquisitions and disposals	2 141.4	2 132.2	0.4%

Higher profitability As a result of the measures to cut costs and optimise structures put in place in the previous year and early in the reporting year, the EBIT margin improved to 7.4%, compared to 5.2% before impairment charges a year earlier. Operating profit was adversely affected by restructuring costs of approximately CHF 5 million for structural optimisation in the Emhart Glass division. The Group's EBITDA rose by 18.0% to CHF 223.9 million, representing an EBITDA margin of 11.0% (2009: 8.9%). Foreign currency movements had different impacts on the various businesses and their cost structures. While companies in the euro zone saw their exports benefit, the companies based in Switzerland and Sweden were only able to pass on a portion of the higher costs to sales prices. The measures already taken a year earlier significantly helped to improve the cost structure. In addition, other operating expenses were reduced further and represented 13.0% (13.2%) of sales. Compared with the year-earlier figure before one-off impairment charges, EBIT increased by 35.6% to CHF 151.4 million. The annual impairment testing of intangible assets did not indicate any need for an impairment charge in 2010 (CHF 85.9 million).

Improvement in net financial items Net financial items improved by CHF 8.0 million to negative CHF 10.8 million. Net interest expense changed from negative CHF 16.4 million to negative CHF 17.5 million due to higher financing costs for the CHF 200 million bond. The net gain on short-term investments was CHF 3.7 million higher year on year at CHF 10.9 million. Changes in the fair value of financial instruments recognised in the fair value reserve in equity decreased by CHF 4.8 million to CHF 5.0 million. Foreign exchange gains and losses netted to a loss of CHF 1.5 million (2009: loss of CHF 6.5 million). Realised foreign exchange gains from hedging transactions largely offset the unrealised foreign exchange losses on loans to group entities. Net financial items include foreign exchange gains and losses on financial transactions, whereas foreign exchange gains of CHF 11.7 million have been recognised in operating profit (EBIT). The Group's share of profit/(loss) of associates was a profit of CHF 0.5 million (loss of CHF 1.2 million).

Net financial items

CHF million	2010	2009
Interest expense	– 19.9	– 18.4
Interest income	2.4	2.0
Net interest expense	**– 17.5**	**– 16.4**
Net gain on short-term investments	10.9	7.2
Foreign exchange gains and losses	– 1.5	– 6.5
Share of profit/(loss) of associates	0.5	– 1.2
Other financial items	– 3.2	– 1.9
Net financial items	**– 10.8**	**– 18.8**

Tax rate and profit for the year Income tax expense rose from CHF 31.4 million to CHF 42.9 million due to the improvement in profit before tax. The tax rate was 30.5% compared to 33.8% a year earlier (excluding the non-tax-deductible goodwill impairment charges of CHF 85.9 million recognised in 2009). Group profit for the year reached CHF 97.7 million, an increase of 58.9% over the previous year's profit before one-off impairment charges. The return on sales was 4.8% (2009: 2.9%). Based on the higher profit for the year and a slightly higher average number of shares outstanding, earnings per share amounted to CHF 9.53, compared with a loss per share of CHF 2.60 in the previous year.

Streamlined balance sheet structure Even during the economic rebound, great emphasis was placed on highly disciplined spending and on reducing net operating assets and, in particular, working capital. Strict receivables management and consistent inventory management, along with lower foreign exchange rates, led to a decrease of CHF 106.2 million in receivables and inventories. Net operating assets amounted to CHF 708.5 million against CHF 897.1 million a year earlier. Given the uncertainty still surrounding the economic recovery, the volume of capital expenditure was only increased slightly year on year to CHF 65.8 million (2009: CHF 58.5 million). The most important single projects were the completion of the new Bucher Hydraulics production unit in Neuheim, Switzerland, the purchase of building land to further expand Johnston Sweepers, UK, and capital investments to enlarge the capacities of Kuhn-Huard, France, and Kuhn Farm Machinery, Australia.

Due to the Group's good financial position, borrowings were reduced by CHF 27.8 million, and the first CHF 53.3 million tranche of the US private placement was repaid on 10 December 2010. Once again, the Group achieved a high operating free cash flow of CHF 201.9 million against CHF 182.5 million a year earlier. Including the acquisition and disposal as well as the dividend of CHF 20.9 million, free cash flow reached a very high level of CHF 180.8 million (2009: CHF 0.7 million). At the end of the reporting year, the Group posted net cash of CHF 19.0 million, compared with net debt of CHF 118.1 million in the previous year. Mainly for seasonal reasons, it had still reported net debt of CHF 155.7 million at 30 June 2010. In view of the Group's high liquidity, undrawn committed credit facilities were reduced from CHF 440 million to CHF 365 million.

Intangible assets amounted to CHF 135.4 million at the end of 2010 (2009: CHF 164.7 million). Goodwill decreased from CHF 60.2 million to CHF 53.4 million due to the impact of foreign currency translation. The annual impairment tests of intangible assets were based on the cash flow projections of the individual cash-generating units (CGUs). Given the cautiously optimistic outlook for the years ahead, the impairment test did not indicate any need for an impairment charge in 2010 (CHF 85.9 million). The ratio of intangible assets to equity was 18.1%, while that of goodwill to equity was 7.1% (20.8% and 7.6% respectively).

Equity declined by CHF 44.8 million to CHF 747.7 million at 31 December 2010. The profit of CHF 97.7 million for the year was exceeded by foreign exchange losses of CHF 122.7 million (2009: gains of CHF 12.0 million) on translation of foreign subsidiaries' equity. The dividend amounted to CHF 20.9 million. The equity ratio rose slightly from 37.3% to 37.7%, and the return on equity was 12.7% (negative 3.0%). At the year end, the Group had cash and liquid assets of CHF 548.4 million and financial liabilities of CHF 529.4 million. If cash and liquid assets were used to repay financial liabilities of CHF 330 million, thus reducing the balance sheet total, the equity ratio would be about 45%.

Return on net operating assets (RONOA) after tax

CHF million	2010	2009
Trade receivables	343.2	405.2
Inventories	451.3	485.2
Property, plant and equipment	366.1	408.5
Intangible assets	135.4	164.7
Other receivables	64.1	74.4
Trade payables	– 203.1	– 189.6
Advances from customers	– 175.9	– 165.0
Other payables	– 205.9	– 202.9
Provisions	– 66.7	– 83.4
Net operating assets (NOA)	**708.5**	**897.1**
Net operating assets (NOA), average	849.2	1 114.1
Operating profit (EBIT)	**151.4**	**25.8**
Return on net operating assets after tax (RONOA)	**12.4%**	**1.5%**

Cash flow/free cash flow

CHF million	2010	2009
Net cash flow from operating activities	**260.3**	**238.9**
Purchases of property, plant and equipment	– 61.1	– 57.0
Proceeds from sale of property, plant and equipment	7.4	2.1
Purchases of intangible assets	– 4.7	– 1.5
Operating free cash flow	**201.9**	**182.5**
Purchases of short-term investments and financial assets	– 52.9	– 4.0
Proceeds from sale of short-term investments and financial assets	48.4	40.3
Dividend paid	– 20.9	– 45.2
Acquisition of subsidiaries	– 0.6	– 172.9
Disposal of subsidiaries	4.9	–
Free cash flow	**180.8**	**0.7**

Employee numbers The number of employees grew by 10.0% year on year to 7 899 full-time equivalents at the reporting date. Excluding the acquisition, this was an increase of 695 full-time equivalents or 9.7%. The average for the year was 0.3% higher, up 0.2% excluding the acquisition. Most of the growth in the workforce consisted of temporary employees in order to cope with seasonal fluctuations and maintain the necessary flexibility should the business volume change. With the 5.1% decline in group sales, net sales per employee dropped by 5.3% to CHF 266 200. In local currencies, net sales per employee remained unchanged.

Selected financial data

	2010	2009
Net tangible worth (equity less goodwill) in CHF million	694.3	732.3
Gearing ratio (net debt to equity)	–2.5%	14.9%
Return on equity (ROE)	12.7%	–3.0%
Interest coverage ratio (EBITDA to net interest expense)	12.8	11.6
Debt payback period (net debt to EBITDA)	–0.1	0.6

Registered shares In a volatile stock market, Bucher's share price performed well, especially since mid-2010, and improved from CHF 112.30 to CHF 174.70 during the reporting year. Its 52-week high was CHF 175.00 with a 52-week low of CHF 111.60. The company's market capitalisation stood at CHF 1.8 billion at the year end, representing a price/book ratio of 2.5. Earnings per share reached CHF 9.53 against a loss per share of CHF 2.60 a year earlier. Compared with the previous year's earnings per share of CHF 5.99 before one-off impairment charges, the increase was 59.1%. In view of the Group's profit for the year, the outlook for 2011 and a consistent dividend policy, the board of directors proposes that the annual general meeting on 14 April 2011 approve payment of a dividend of CHF 3.00 per registered share (2009: CHF 2.00). Based on the average share price of CHF 136.00 for 2010, the board's proposal represents a dividend yield of 2.2% (1.9%).

Consolidated balance sheet at 31 December 2010

	CHF million	Note	2010	%	2009	%
Assets	Cash and cash equivalents		484.3	24.4	437.2	20.6
	Short-term investments	3	64.1	3.2	68.0	3.2
	Trade receivables	4	343.2	17.3	405.2	19.1
	Current income tax assets		9.0	0.5	21.7	1.0
	Other receivables	4	49.6	2.5	42.0	2.0
	Inventories	5	451.3	22.7	485.2	22.8
	Current assets		**1 401.5**	**70.6**	**1 459.3**	**68.7**
	Long-term receivables	4	9.5	0.5	11.6	0.6
	Property, plant and equipment	6	366.1	18.4	408.5	19.2
	Intangible assets	7	135.4	6.8	164.7	7.7
	Other financial assets	8	38.6	2.0	43.3	2.0
	Investments in associates	9	8.2	0.4	7.7	0.4
	Deferred income tax assets	24	25.6	1.3	29.4	1.4
	Non-current assets		**583.4**	**29.4**	**665.2**	**31.3**
	Assets		**1 984.9**	**100.0**	**2 124.5**	**100.0**
Liabilities and equity	Financial liabilities	10	10.2	0.5	88.7	4.2
	Trade payables		203.1	10.2	189.6	8.9
	Advances from customers		175.9	8.9	165.0	7.8
	Current income tax liabilities		34.4	1.7	25.8	1.2
	Provisions	11	53.8	2.7	68.5	3.2
	Other payables	12	168.6	8.5	173.6	8.2
	Current liabilities		**646.0**	**32.5**	**711.2**	**33.5**
	Financial liabilities	10	519.2	26.2	534.6	25.1
	Provisions	11	12.9	0.7	14.9	0.7
	Other liabilities	12	4.3	0.2	4.4	0.2
	Deferred income tax liabilities	24	38.7	1.9	48.5	2.3
	Retirement benefit obligations	26	16.1	0.8	18.4	0.9
	Non-current liabilities		**591.2**	**29.8**	**620.8**	**29.2**
	Attributable to owners of Bucher Industries AG		736.6	37.1	780.9	36.8
	Attributable to non-controlling interests		11.1	0.6	11.6	0.5
	Equity		**747.7**	**37.7**	**792.5**	**37.3**
	Liabilities and equity		**1 984.9**	**100.0**	**2 124.5**	**100.0**

Consolidated income statement for the year ended 31 December 2010

CHF million	Note	2010	%	2009	%
Net sales	1	**2 033.7**	**100.0**	**2 142.1**	**100.0**
Changes in inventories of finished goods and work in progress		10.1	0.5	–120.9	–5.6
Raw materials and consumables used	17	–1 039.5	–51.1	–1 038.1	–48.4
Employment costs	18	–542.1	–26.7	–536.0	–25.0
Other operating income	19	26.6	1.3	25.4	1.1
Other operating expenses	20	–264.9	–13.0	–282.8	–13.2
Operating profit before depreciation and amortisation (EBITDA)		**223.9**	**11.0**	**189.7**	**8.9**
Depreciation	6	–56.8	–2.8	–61.1	–2.9
Amortisation	7	–15.7	–0.8	–16.9	–0.8
Impairment	7	–	–	–85.9	–4.0
Operating profit (EBIT)		**151.4**	**7.4**	**25.8**	**1.2**
Share of profit/(loss) of associates	9	0.5	–	–1.2	–0.1
Finance costs	22	–23.3	–1.1	–20.6	–1.0
Finance income	23	12.0	0.6	3.0	0.2
Profit before tax		**140.6**	**6.9**	**7.0**	**0.3**
Income tax expense	24	–42.9	–2.1	–31.4	–1.5
Profit/(loss) for the year		**97.7**	**4.8**	**–24.4**	**–1.2**
Attributable to owners of Bucher Industries AG		95.4		–26.0	
Attributable to non-controlling interests		2.3		1.6	
Basic earnings per share in CHF	25	9.53		–2.60	
Diluted earnings per share in CHF	25	9.51		–2.60	

Consolidated statement of comprehensive income for the year ended 31 December 2010

CHF million	2010	2009
Profit/(loss) for the year	**97.7**	**−24.4**
Net change in fair value reserve	3.0	3.0
Income tax	−1.1	−1.0
Transfer to income statement	−9.8	−5.1
Income tax	3.1	1.7
Net change in fair value reserve, net of tax	**−4.8**	**−1.4**
Net change in cash flow hedge reserve	1.1	–
Income tax	–	–
Transfer to income statement	−1.1	–
Net change in cash flow hedge reserve, net of tax	**–**	**–**
Net change in currency translation reserve	−122.7	12.0
Other comprehensive income for the year, net of tax	**−127.5**	**10.6**
Total comprehensive income for the year	**−29.8**	**−13.8**
Attributable to owners of Bucher Industries AG	−30.2	−15.4
Attributable to non-controlling interests	0.4	1.6

Consolidated cash flow statement for the year ended 31 December 2010

CHF million	Note	2010	2009
Profit/(loss) for the year		**97.7**	**– 24.4**
Adjustments for:			
Income tax expense	24	42.9	31.4
Depreciation and amortisation	6, 7	72.5	78.0
Impairment	7	–	85.9
Proceeds from disposal of subsidiaries	2	– 0.5	–
Share of profit/(loss) of associates	9	– 0.5	1.2
Gain on sale of non-current assets		– 0.4	– 0.5
Gain on sale of short-term investments and financial assets		– 9.8	– 6.3
Net interest expense		17.5	16.4
Interest received		2.2	1.8
Interest paid		– 18.9	– 15.4
Income tax paid		– 24.7	– 36.2
Other operating cash flow items		6.5	6.4
Cash flow from operating activities before changes in working capital and provisions		**184.5**	**138.3**
Change in provisions and retirement benefit obligations		– 5.7	– 3.9
Change in working capital	14	81.5	104.5
Net cash flow from operating activities		**260.3**	**238.9**
Purchases of property, plant and equipment	6	– 61.1	– 57.0
Proceeds from sale of property, plant and equipment		7.4	2.1
Purchases of intangible assets	7	– 4.7	– 1.5
Purchases of short-term investments and financial assets		– 52.9	– 4.0
Proceeds from sale of short-term investments and financial assets		48.4	40.3
Acquisition of subsidiaries	2	– 0.6	– 172.9
Disposal of subsidiaries	2	4.9	–
Net cash flow from investing activities		**– 58.6**	**– 193.0**
Change in treasury shares		1.3	0.8
Proceeds from long-term financial liabilities		4.6	356.2
Repayment of long-term financial liabilities		– 13.5	– 3.3
Proceeds from short-term financial liabilities		2.4	4.5
Repayment of short-term financial liabilities		– 78.8	– 55.2
Dividend paid		– 20.9	– 45.2
Net cash flow from financing activities		**– 104.9**	**257.8**
Effect of exchange rate changes		– 49.7	0.9
Net change in cash and cash equivalents		**47.1**	**304.6**
Cash and cash equivalents at 1 January		437.2	132.6
Cash and cash equivalents at 31 December		**484.3**	**437.2**

Consolidated statement of changes in equity for the year ended 31 December 2010

CHF million	Share capital	Retained earnings	Treasury shares	Currency translation reserve	Fair value reserve	Cash flow hedge reserve	Attributable to owners of Bucher Industries AG	Non-controlling interests	Total equity
Balance at 1 January 2009	**2.1**	**979.0**	**−27.8**	**−128.7**	**11.2**	**–**	**835.8**	**10.3**	**846.1**
Profit/(loss) for the year		−26.0					−26.0	1.6	**−24.4**
Other comprehensive income for the year				12.0	−1.4	–	10.6		**10.6**
Total comprehensive income for the year		**−26.0**		**12.0**	**−1.4**	**–**	**−15.4**	**1.6**	**−13.8**
Change in treasury shares		4.1	1.3				5.4		**5.4**
Dividend		−44.9					−44.9	−0.3	**−45.2**
Balance at 31 December 2009	**2.1**	**912.2**	**−26.5**	**−116.7**	**9.8**	**–**	**780.9**	**11.6**	**792.5**
Profit for the year		95.4					95.4	2.3	**97.7**
Other comprehensive income for the year				−120.8	−4.8	–	−125.6	−1.9	**−127.5**
Total comprehensive income for the year		**95.4**		**−120.8**	**−4.8**	**–**	**−30.2**	**0.4**	**−29.8**
Change in treasury shares		4.4	1.5				5.9		**5.9**
Dividend		−20.0					−20.0	−0.9	**−20.9**
Balance at 31 December 2010	**2.1**	**992.0**	**−25.0**	**−237.5**	**5.0**	**–**	**736.6**	**11.1**	**747.7**

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 located in Niederweningen, Switzerland. The Bucher Industries Group comprises four specialised divisions and one segment consisting of independent businesses. 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 (Emhart Glass); winemaking equipment, systems and equipment for processing fruit juice, drying food and dewatering municipal and industrial sludge, as well as the Swiss distributorship for tractors and specialised agricultural machinery (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 The following new and revised standards and interpretations published by the International Accounting Standards Board (IASB) have been adopted by Bucher Industries for the 2010 financial year. The table below gives an overview of the impact of these standards and interpretations on the consolidated financial statements of Bucher Industries.

Standard/Interpretation		Effective date	Impact
Revised standards and interpretations			
IFRS 1	First-time Adoption of IFRS: revised and restructured	1 January 2010	1
IFRS 2	Share-based Payment: amendments relating to group cash-settled share-based payment transactions	1 January 2010	1
IAS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items	1 July 2009	1
	Various Annual Improvements to IFRSs	1 January 2010	1
New interpretations			
IFRIC 17	Distributions of Non-cash Assets to Owners	1 July 2009	1
IFRIC 18	Transfers of Assets from Customers	1 January 2010	1

1 Adoption has not had a significant impact on the consolidated financial statements.

IAS 39 provides clarification on hedge accounting issues relating to the treatment of inflation in a financial hedged item and a one-sided risk in a hedged item.

Future standards not yet adopted The IASB has published the following new and revised standards and interpretations that will be mandatory for financial years beginning in 2011 or later and have not been early adopted in these consolidated financial statements. The table below gives an overview of the expected impact of the standards and interpretations on the consolidated financial statements of Bucher Industries.

Standard/Interpretation		Effective date	Planned application	Estimated impact
New standard				
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2013	2013	3
Revised standards				
IFRS 1	First-time Adoption of IFRS: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters	1 July 2010	n.a.	1
IAS 24	Related Party Disclosures: State-controlled Entities	1 January 2011	2011	2
IAS 32/IAS 1	Financial Instruments, Presentation: amendments relating to the classification of rights issues	1 February 2011	2011	1
	Various Annual Improvements to IFRSs	1 January 2011	2011	2
New interpretations				
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2011	2011	1
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010	2011	1

1 Not expected to have an impact or significant impact on the consolidated financial statements.
2 Expected to require additional disclosures or changes in the presentation of the consolidated financial statements.
3 The impact on the consolidated financial statements will be presented in the annual report 2011.

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 relevant operating segments. Actual cash flows may differ from those forecasted. 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.

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 primarily for temporary differences and, in specific cases, also for tax losses carried forward to the extent that the realisation of the related tax benefit is probable. This means that 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 24.

Provisions Provisions are made 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.

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, discount rates and expected rates of return on plan assets. 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 26.

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 inter-company balances, transactions, cash flows, realised and unrealised profits are eliminated in the consolidated financial statements. The purchase method of accounting is used to account for the acquisition of businesses. 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. Where non-controlling interests in a fully consolidated subsidiary are acquired, the difference between the consideration paid and the carrying amount of the non-controlling interests is recorded directly in retained earnings. Any reduction in ownership interest that does not result in a loss of control is also recognised in equity.

Associates are those entities in which Bucher Industries has significant influence, but not control, over the financial and operating policy decisions. Significant influence is presumed to exist when Bucher Industries holds between 20% and 50% of the voting rights, directly or indirectly. Investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Under this method, the Group recognises its share of the entity's net profit as the share of profit or loss of associates and its share of the entity's net assets as investments in associates. Any goodwill on investments in associates is included in the carrying amount of the associate. An impairment loss is recognised if there is evidence of permanent impairment.

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). Exchange differences arising on consolidation are recognised in equity (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 finance costs. 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 fair value gains and losses recognised in the income statement. Exceptions are transactions designated for hedge accounting where gains and losses are recognised in equity (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. Transfer prices between segments are set on an arm's length basis.

Financial assets Financial assets are classified into the categories "held for trading at fair value through profit or loss", "loans and receivables", "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 held for trading. Purchases and sales are recognised on the settlement date (date of payment and delivery). 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 for trading 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 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 equity (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 equity (other comprehensive income) are taken to the income statement for the period as finance income.

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, fixed term deposits with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within financial liabilities under liabilities. 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 at amortised cost, while the other financial assets are recorded at amortised cost or fair value and are classified as "loans and receivables" or "available-for-sale". 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 applied hedge accounting in accordance with IAS 39 for the first time at 30 June 2010 as a measure to hedge expected future cash flows. Cash flow hedges were used to hedge selected transactions. Fair value hedges and net investment hedges were not used. At the inception of the hedge, group treasury identifies and documents the transactions designated as a hedged item and therefore qualifying for hedge accounting. The documentation includes the risk management objectives and strategy, the nature of the hedging relationship, the risk being hedged, identification of the hedging instrument and hedged transaction, together with the method used to measure effectiveness. Hedging relationships are assessed on a regular basis to determine that they have been effective throughout the entire period for which they have been designated. The effective portion of changes in the fair value of hedging instruments is recognised in equity (other comprehensive income), while any ineffective portion is recognised in the income statement. Amounts accumulated in other comprehensive income are transferred to the income statement when the hedged transaction is recognised or is no longer expected to occur.

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. 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.

Investment property Property that is not held for operating purposes is recorded at cost and depreciated on a straight-line basis.

Intangible assets Goodwill, licences, patents, trademarks, customer lists, supplier relationships, non-competition agreements, 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 take more than one year to complete are capitalised. 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. Borrowing costs related to non-qualifying assets are expensed directly in the period they occur.

Discontinued operations and non-current assets held for sale Classification as a discontinued operation occurs when the sale of an operation is highly probable or when the operation meets the criteria in IFRS 5 for classification as held for sale, if earlier. 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.

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.

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 Revenue from the sale of goods and services is recognised when the risks and rewards of ownership have been transferred or the services rendered. Revenue from services rendered is recognised by reference to the stage of completion. Sales are recorded net of sales deductions, such as sales incentives, commissions, rebates and trade discounts recognised on an accrual basis.

Income tax expense The tax expense for the period comprises current and deferred income tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity (other comprehensive income). In this case, the tax is also recognised in equity (other comprehensive income).

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. Furthermore, provision is made for additional income taxes that arise from the distribution of retained profits by foreign entities if such distributions are currently planned or the dividends are subject to tax. Under the exemption in IAS 12, temporary differences are not provided for the initial recognition of goodwill, the initial recognition of assets and liabilities that do not affect taxable profit, and differences relating to investments in group entities.

Retirement benefits Most employees are covered by pension schemes in accordance with the relevant national regulations. The Group operates a number of defined benefit and defined contribution pension plans. The majority of these pension schemes are defined contribution plans. The assets of the pension schemes in Switzerland, the USA and the UK are held in separate trustee administered funds, mostly classified as defined benefit plans. The schemes are generally funded by employee and employer contributions. The Group's contributions to defined contribution pension 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. The available assets in Swiss pension schemes are not recognised as assets because it is not believed that the surplus can be used to generate future economic benefits as defined in IFRS. Future 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 arise mainly from changes in actuarial assumptions and from differences between actuarial assumptions and what has actually occurred. Effects of plan amendments and changes in actuarial assumptions in excess of the greater of 10% of the fair value of the plan assets or 10% of the defined benefit obligation are charged or credited to pension costs over the average remaining service lives of the plan participants. Other surpluses in pension schemes are recognised as an asset only to the extent that economic benefits will actually be available to the Group in the form of refunds or reductions in future contributions to the plan.

Share-based payments In the reporting year, the previous share-based payment schemes were replaced by new share plans. Share options granted in earlier years and not yet exercisable under the previous share option plans remain valid. More information is given in note 27.

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 costs are recognised in the income statement on an accrual basis. 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.

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 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.

Share option plans In 2009, share options that were not yet exercisable were valued using the so-called Enhanced American model (EA model). Until 2008, share option plans had been valued using the Black-Scholes 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.

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. 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 techniques (value-at-risk and stress tests). It uses financial derivatives to selectively hedge foreign exchange and interest rate risks at the level of both subsidiaries and the holding company with the objective of achieving high levels of hedge effectiveness. Hedging transactions are entered into only to hedge corresponding underlying operating transactions. The finance departments of the businesses are responsible for managing credit and commodity price risk.

Credit risk Credit risk arises from the possibility of partial or total default on contractual payments and/or performance obligations. In addition, there is exposure to losses in the value of financial items due to deterioration in credit quality or increased counterparty risks under financial contracts. Each of the businesses is responsible for operational credit risk as part of their receivables management. They determine the credit terms and demand 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). The risk of default is usually mitigated by advances from customers, letters of credit and other instruments to secure payment. Credit risk associated with financial products is minimised by selectively diversifying the financial institutions used. It is the Group's policy to enter into contracts only with domestic and foreign financial institutions that have first-class credit ratings.

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 their 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.

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, interest rates and commodity prices. Interest rate and exchange rate risk exposures are regularly quantified and analysed using a value-at-risk approach combined with defined stress tests and are reported to group management. Each of the businesses hedges its identified exchange rate exposure with group treasury, using approved financial derivatives. Group treasury, in turn, selectively enters into external hedging transactions with banks.

More information about financial risk management is given in note 29.

Notes to the consolidated financial statements

1 Segment information

The Group put a new management structure in place on 1 January 2010. The Group now comprises four divisions specialising in industrially related areas of mechanical and vehicle engineering as well as a segment encompassing independent businesses. 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 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, offering a whole range of compact and truck mounted sweepers, winter maintenance equipment and refuse collection vehicles.

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

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

Bucher Specials consists of independent businesses: machinery and equipment for winemaking (Bucher Vaslin), systems and machinery for processing fruit juice, drying food and dewatering municipal and industrial sludge (Bucher Unipektin), as well as the Swiss distributorship for tractors and agricultural machinery (Bucher Landtechnik).

CHF million	Net sales		Depreciation		Amortisation and impairment		Operating profit (EBIT)	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Kuhn Group	851.2	948.4	24.5	26.8	10.4	75.2	78.2	7.4
Bucher Municipal	373.0	386.6	6.8	6.7	1.1	1.1	27.3	15.0
Bucher Hydraulics	371.4	319.8	15.4	16.6	3.3	25.8	36.9	–8.5
Emhart Glass	259.3	303.7	7.7	8.7	0.4	0.4	3.0	12.2
Bucher Specials	187.0	187.7	1.9	2.1	0.5	0.3	8.6	10.0
Reportable segments	**2 041.9**	**2 146.2**	**56.3**	**60.9**	**15.7**	**102.8**	**154.0**	**36.1**
Other/consolidation	–8.2	–4.1	0.5	0.2	–	–	–2.6	–10.3
Group total	**2 033.7**	**2 142.1**	**56.8**	**61.1**	**15.7**	**102.8**	**151.4**	**25.8**

CHF million	Capital expenditure		Goodwill		Operating assets		Operating liabilities	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Kuhn Group	22.3	26.5	25.8	29.2	556.7	660.1	360.6	346.3
Bucher Municipal	19.2	5.9	5.2	5.9	225.5	228.5	102.8	110.3
Bucher Hydraulics	14.1	20.8	–	–	233.0	244.1	50.4	46.8
Emhart Glass	7.0	3.9	4.6	5.5	226.5	260.0	80.7	77.2
Bucher Specials	3.2	1.4	1.2	1.2	102.1	120.7	48.5	48.5
Reportable segments	**65.8**	**58.5**	**36.8**	**41.8**	**1 343.8**	**1 513.4**	**643.0**	**629.1**
Other/consolidation	–	–	16.6	18.4	16.2	24.6	8.5	11.8
Group	**65.8**	**58.5**	**53.4**	**60.2**	**1 360.0**	**1 538.0**	**651.5**	**640.9**

Due to the new management structure, the Swiss distributorship for tractors and agricultural machinery is now reported in the Bucher Specials segment and no longer included in the Bucher Municipal division. Prior year figures have been reclassified for comparability.

The performance of each of the divisions and the Bucher Specials segment 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 inter-segment transactions. The associate is held by the holding company and not allocated to any segment. Inter-segment sales amounted to CHF 3.8 million for Kuhn Group and CHF 4.2 million for Bucher Hydraulics. The other divisions and the Bucher Specials segment had only insignificant inter-segment sales. These internal transactions 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.

Impairment testing of intangible and financial assets did not indicate any need for an impairment charge in 2010. In the previous year, goodwill impairment charges of CHF 63.7 million were necessary for the Kuhn Group division and of CHF 22.2 million for the Bucher Hydraulics division.

Reconciliation of segment profit

CHF million	2010	2009
Segment operating profit	154.0	36.1
Other/consolidation	– 2.6	– 10.3
Group operating profit	**151.4**	**25.8**
Share of profit/(loss) of associates	0.5	– 1.2
Finance costs	– 23.3	– 20.6
Finance income	12.0	3.0
Profit before tax	**140.6**	**7.0**

Reconciliation of segment assets

CHF million	2010	2009
Segment operating assets	**1 343.8**	**1 513.4**
Other/consolidation	16.2	24.6
Group operating assets	**1 360.0**	**1 538.0**
Cash, cash equivalents and short-term investments	548.4	505.2
Other financial assets	38.6	43.3
Investments in associates	8.2	7.7
Deferred income tax assets	25.6	29.4
Other assets	4.1	0.9
Group assets	**1 984.9**	**2 124.5**

Reconciliation of segment liabilities

CHF million	2010	2009
Segment operating liabilities	**643.0**	**629.1**
Other/consolidation	8.5	11.8
Group operating liabilities	**651.5**	**640.9**
Short-term financial liabilities	10.2	88.7
Long-term financial liabilities	519.2	534.6
Other payables	1.5	0.9
Deferred income tax liabilities	38.7	48.5
Retirement benefit obligations	16.1	18.4
Group liabilities	**1 237.2**	**1 332.0**

Geographical information

CHF million	Net sales		Property, plant and equipment and intangible assets	
	2010	**2009**	**2010**	**2009**
Switzerland	118.1	127.3	95.8	93.4
Germany	305.5	333.9	27.2	38.4
France	354.4	433.2	103.2	126.4
Rest of Europe	636.3	631.9	130.7	155.0
North America	278.8	266.1	108.8	127.2
Central and South America	60.4	54.3	10.7	11.4
Asia	147.4	161.9	9.0	7.8
Other	132.8	133.5	16.1	13.6
Total	**2 033.7**	**2 142.1**	**501.5**	**573.2**

Net sales have been allocated to the countries of destination.

2 Acquisitions and disposals

On 1 May 2010, Bucher Municipal sold the project business for airport snow sweepers and Rolba snow blowers. The CHF 5.6 million deal covered inventories and the rights to use customer data, the Rolba brand name and engineering drawings. No other assets or liabilities were transferred to the purchaser. Projects commenced before the date of the transaction were continued by Bucher Municipal until their completion. Sales of CHF 5.1 million were recognised in 2010 (2009: CHF 17.7 million). CHF 0.7 million of the sales proceeds were still outstanding at 31 December 2010 and will be payable on 31 March 2011.

On 2 August 2010, Bucher Industries acquired the net assets of the engineering business of Eschenz-based Unipektin AG, Switzerland, and 100% of the share capital of its Chinese sales and assembly company, Unipektin Equipment Co. Ltd., Beijing. The operations of Unipektin AG were integrated into Bucher Processtech AG, Niederweningen (Bucher Specials). Bucher Processtech AG was renamed Bucher Unipektin AG. The engineering business is engaged in planning, supply and assembly of evaporation, adsorption and filtration machinery for fruit and vegetable juice, fruit purées and milk. The applications and technologies of Bucher Processtech AG and Unipektin Engineering AG are largely complementary. While Bucher Processtech concentrated primarily on juice extraction, Unipektin Engineering AG mainly engaged in juice processing and production of fruit purées. The worldwide customer relationships and complementary sales partners are strengthening their combined market presence. The purchase agreement, including debt assumed, was CHF 1.6 million. In addition to this cash consideration, the purchase consideration includes an earn-out component of up to CHF 1.5 million, which will be payable on 30 April 2011 and is contingent on a number of performance criteria in respect of the business acquired. It is not believed that an additional payment will be required under the earn-out arrangement, which is why no amount was recorded as a liability in the purchase price allocation. The gross amount of receivables acquired was CHF 1.0 million and represented fair value. All receivables were considered fully collectible. The purchase price allocation was finalised on 31 December 2010. No goodwill arose on the acquisition. The acquisition costs of CHF 0.1 million have been recognised in other operating expenses. In the period from 2 August to 31 December 2010, the acquired business contributed CHF 3.5 million in additional sales and reduced EBIT by CHF 2.3 million. Had the acquisition been completed on 1 January 2010, the additional sales would have amounted to CHF 12.0 million and the EBIT contribution would have been negative CHF 1.7 million.

Goodwill

CHF million	Bucher Unipektin AG	Total	Total
		2010	**2009**
Cash paid	1.6	1.6	172.1
Contingent consideration	–	–	–
Total purchase consideration	**1.6**	**1.6**	**172.1**
Less fair value of net identifiable assets acquired	1.6	1.6	116.8
Goodwill	**–**	**–**	**55.3**

No goodwill arose on the acquisition of Unipektin Engineering AG. The purchase price was fully allocated to assets, liabilities and trademarks acquired.

Cash flow from acquisitions and disposals

CHF million	Fair value on acquisition	Disposal	Fair value on acquisition
	2010		**2009**
Cash and cash equivalents	1.9	–	2.8
Trade receivables	1.0	–	23.5
Other receivables	1.8	–	0.9
Inventories	2.2	5.1	37.7
Deferred income tax assets	–	–	0.8
Property, plant and equipment	0.1	–	10.8
Intangible assets	1.8	–	78.7
Trade payables	–2.2	–	–18.7
Other payables	–5.0	–	–5.8
Provisions	–	–	–4.3
Deferred income tax liabilities	–	–	–9.6
Net assets	**1.6**	**5.1**	**116.8**
Cash and cash equivalents	–1.9	–	–2.8
Contingent consideration	–	–0.7	–
Goodwill	–	–	55.3
Gain on disposal	–	0.5	–
Deferred consideration relating to previous years	0.9	–	3.6
Net cash outflow/inflow on acquisition/disposal	**0.6**	**4.9**	**172.9**

3 Short-term investments

CHF million	**2010**	**2009**
Bonds	64.1	66.5
Money market instruments	–	1.5
Short-term investments	**64.1**	**68.0**

Changes in fair value recognised in equity (other comprehensive income), net of tax, amounted to CHF 1.9 million (2009: CHF 2.0 million).

4 Receivables

CHF million	Current	Non-current	Total	Current	Non-current	Total
			2010			**2009**
Trade receivables, gross	328.7	9.0	337.7	390.4	0.5	390.9
Notes receivable	14.5	–	14.5	14.8	–	14.8
Trade receivables, net	**343.2**	**9.0**	**352.2**	**405.2**	**0.5**	**405.7**
Other receivables	35.9	0.5	36.4	30.2	11.1	41.3
Prepayments to suppliers	1.6	–	1.6	1.7	–	1.7
Derivative financial instruments	3.9	–	3.9	0.8	–	0.8
Accrued income	8.2	–	8.2	9.3	–	9.3
Other receivables	**49.6**	**0.5**	**50.1**	**42.0**	**11.1**	**53.1**
Receivables	**392.8**	**9.5**	**402.3**	**447.2**	**11.6**	**458.8**

Trade receivables and notes receivable represent amounts receivable for goods supplied and services provided.

Ageing analysis of receivables and impairment

Provision for impairment was made applying ageing criteria, on the one hand, and as needed to reflect risks associated with the specific customer and region, on the other. At the reporting date, there were no receivables that would have been past due but whose terms were renegotiated. As in the previous year, 0.1% of receivables not provided for in the previous period had to be written off.

CHF million	2010	2009
Trade receivables, gross	365.0	423.5
Amount provided for	−12.8	−17.8
Other receivables, gross	36.8	41.5
Amount provided for	−0.4	−0.2
Receivables, net	**388.6**	**447.0**
Long-term receivables	9.5	11.6
Receivables due in more than 3 months	24.3	43.3
Receivables due within 3 months	325.1	353.9
Receivables past due more than 60 days and less than 1 year, gross	24.7	41.9
Amount provided for	−0.3	−0.6
Receivables past due more than 1 year, gross	18.2	14.3
Amount provided for	−2.1	−2.5
Provision for impaired receivables not past due	−10.8	−14.9

Movements in the provision for impairment of receivables

CHF million	2010	2009
Balance at 1 January	18.0	17.8
Provision for receivables impairment	1.6	4.5
Unused amounts reversed	– 3.9	– 3.2
Receivables written-off during the year as uncollectible	– 0.8	– 1.7
Exchange differences	– 1.7	0.6
Balance at 31 December	**13.2**	**18.0**

5 Inventories

CHF million	2010	2009
Raw materials and consumables	113.8	126.4
Work in progress	89.7	90.5
Finished goods and goods for resale	247.8	268.3
Inventories	**451.3**	**485.2**

Inventory write-downs

CHF million	2010	2009
Balance at 1 January	104.0	85.3
Additional write-downs	2.4	19.5
Amounts reversed	– 11.4	– 3.8
Amounts written off	– 1.1	– 0.2
Acquisition/disposal of subsidiaries	–	3.1
Exchange differences	– 11.3	0.1
Balance at 31 December	**82.6**	**104.0**

Inventories valued at CHF 0.1 million (2009: none) that had not previously been written down were written off in 2010.

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
2010					
Cost at 1 January	397.8	424.8	177.3	17.1	1 017.0
Exchange differences	−41.6	−48.4	−16.6	−1.0	−107.6
Acquisition/disposal of subsidiaries	–	–	0.1	–	0.1
Additions	17.5	15.8	11.4	16.4	61.1
Disposals	−10.1	−10.1	−12.0	–	−32.2
Transfers	16.7	4.3	1.9	−22.9	–
Cost at 31 December	**380.3**	**386.4**	**162.1**	**9.6**	**938.4**
Accumulated depreciation at 1 January	180.2	290.3	138.0	–	608.5
Exchange differences	−19.9	−34.6	−13.3	–	−67.8
Acquisition/disposal of subsidiaries	–	–	–	–	–
Disposals	−4.7	−9.7	−10.8	–	−25.2
Depreciation for the year	13.5	28.0	15.3	–	56.8
Accumulated depreciation at 31 December	**169.1**	**274.0**	**129.2**	**–**	**572.3**
Net book value at 31 December	**211.2**	**112.4**	**32.9**	**9.6**	**366.1**
Of which leased:					
Cost	22.5	2.5	–	–	25.0
Accumulated depreciation	5.6	1.7	–	–	7.3
Net book value	16.9	0.8	–	–	17.7
Lease obligations (present value)	19.9	0.7	–	–	20.6
Insurance value	604.1	614.9	178.7	–	1 397.7

CHF million	Land and buildings	Plant and machinery	Furniture, fixtures and equipment	Prepayments and assets under construction	Total property, plant and equipment
2009					
Cost at 1 January	373.3	382.0	168.4	25.3	949.0
Exchange differences	3.0	3.2	1.8	0.8	8.8
Acquisition/disposal of subsidiaries	1.6	20.6	3.9	–	26.1
Additions	6.0	21.2	11.3	18.5	57.0
Disposals	– 1.6	– 11.6	– 10.7	–	– 23.9
Transfers	15.5	9.4	2.6	– 27.5	–
Cost at 31 December	**397.8**	**424.8**	**177.3**	**17.1**	**1 017.0**
Accumulated depreciation at 1 January	165.2	255.9	128.7	–	549.8
Exchange differences	0.8	2.5	1.3	–	4.6
Acquisition/disposal of subsidiaries	0.8	12.2	2.3	–	15.3
Disposals	– 1.3	– 10.9	– 10.1	–	– 22.3
Depreciation for the year	14.7	30.6	15.8	–	61.1
Accumulated depreciation at 31 December	**180.2**	**290.3**	**138.0**	**–**	**608.5**
Net book value at 31 December	**217.6**	**134.5**	**39.3**	**17.1**	**408.5**
Of which leased:					
Cost	28.8	1.8	0.6	–	31.2
Accumulated depreciation	3.9	1.5	0.2	–	5.6
Net book value	24.9	0.3	0.4	–	25.6
Lease obligations (present value)	26.3	0.5	0.2	–	27.0
Insurance value	625.1	647.4	188.2	–	1 460.7

7 Intangible assets

CHF million	Goodwill	Other	Total intangible assets
2010			
Cost at 1 January	174.7	230.8	405.5
Exchange differences	−19.6	−23.2	−42.8
Acquisition/disposal of subsidiaries	–	1.8	1.8
Additions	–	4.7	4.7
Disposals	–	−0.4	−0.4
Cost at 31 December	**155.1**	**213.7**	**368.8**
Accumulated amortisation at 1 January	114.5	126.3	240.8
Exchange differences	−12.8	−9.9	−22.7
Acquisition/disposal of subsidiaries	–	–	–
Disposals	–	−0.4	−0.4
Amortisation for the year	–	15.7	15.7
Impairment charge	–	–	–
Accumulated amortisation at 31 December	**101.7**	**131.7**	**233.4**
Net book value at 31 December	**53.4**	**82.0**	**135.4**
2009			
Cost at 1 January	118.3	134.9	253.2
Exchange differences	1.1	2.0	3.1
Acquisition/disposal of subsidiaries	55.3	92.8	148.1
Additions	–	1.5	1.5
Disposals	–	−0.4	−0.4
Cost at 31 December	**174.7**	**230.8**	**405.5**
Accumulated amortisation at 1 January	29.4	92.9	122.3
Exchange differences	−0.8	2.8	2.0
Acquisition/disposal of subsidiaries	–	14.1	14.1
Disposals	–	−0.4	−0.4
Amortisation for the year	–	16.9	16.9
Impairment charge	85.9	–	85.9
Accumulated amortisation at 31 December	**114.5**	**126.3**	**240.8**
Net book value at 31 December	**60.2**	**104.5**	**164.7**

Other intangible assets mainly include acquired patents, trademarks and customer lists.

Goodwill and other intangible assets with indefinite useful lives are allocated to the cash-generating units (CGUs) that are expected to benefit from the respective business combination. At 31 December 2010, 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 test 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. Various growth rates and cost of capital rates were used in the calculations for sensitivity analysis. 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
		2010			**2009**	
Kuhn North America Inc., USA	1.5%	11.2%	17.5	2.7%	10.7%	19.3
Kuhn do Brasil S/A, Brasilien			–	4.0%	21.5%	–
Kuhn-Geldrop B.V., Netherlands	2.2%	8.8%	8.3	1.0%	8.6%	9.9
Kuhn Group			**25.8**			**29.2**
Gmeiner GmbH, Germany	2.2%	10.0%	3.3	1.0%	9.5%	3.9
Giletta S.p.A., Italy	2.2%	10.0%	1.9	1.0%	9.6%	2.0
Bucher Municipal			**5.2**			**5.9**
Bucher Hydraulics, Inc., USA			–	3.7%	10.6%	–
Command Controls Corporation, USA			–	3.7%	9.0%	–
Bucher Hydraulics			**–**			**–**
Emhart Glass AG, Switzerland	2.2%	10.0%	4.6	1.0%	9.6%	5.5
Emhart Glass			**4.6**			**5.5**
Bucher Landtechnik AG, Switzerland	1.0%	7.2%	1.2	1.0%	6.8%	1.2
Bucher Specials			**1.2**			**1.2**
Bucher Industries US Inc., USA	1.5%	11.6%	16.6	2.7%	8.9%	18.4
Other			**16.6**			**18.4**
Goodwill			**53.4**			**60.2**

Due to the favourable business performance and the cautiously optimistic outlook, the annual impairment tests of intangible assets did not indicate any need for impairment charges on capitalised goodwill for 2010 (2009: CHF 85.9 million). 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 CGU.

8 Other financial assets

CHF million

	2010	2009
Long-term loans	17.5	20.7
Other	21.1	22.6
Other financial assets	**38.6**	**43.3**

As a result of applying IAS 19, employer contribution reserves totalling CHF 13.7 million have been capitalised under the heading “other” as in the previous year.

9 Investments in associates

CHF million

	2010	2009
Balance at 1 January	7.7	8.9
Acquisitions	–	–
Disposals	–	–
Share of profit/(loss)	0.5	–1.2
Balance at 31 December	**8.2**	**7.7**

This item comprises the investment in Jetter AG, Ludwigsburg, Germany. Jetter AG makes up its financial statements to 31 March and reported sales of EUR 28.6 million and a loss of EUR 1.3 million for the year in its most recently published financial statements for the 2009/2010 financial year; Jetter AG had total assets of EUR 33.8 million and equity of EUR 23.6 million. Jetter AG’s shares are traded on the Xetra exchange in Frankfurt. The annual valuation of the investment is based on the quoted market price of Jetter AG’s shares. The market value of the 26.5% interest was EUR 6.4 million at 31 December 2010.

Management is of the opinion that the investment is correctly valued at its current carrying amount. Due to Jetter AG’s positive business performance in the first two quarters of the 2010/2011 financial year and the still volatile stock market movements, management sees no sustained loss in value and therefore no need for any further impairment charge.

10 Financial liabilities

CHF million	Less than 1 year	1–5 years	Over 5 years	Total financial liabilities			
				Carrying amount	Fair value	Carrying amount	Fair value
				2010		**2009**	
Private placements	–	53.3	–	53.3	57.6	106.6	110.0
Bond	–	198.7	–	198.7	207.8	198.3	203.1
Other bank borrowings	4.5	228.6	–	233.1	240.9	267.6	278.1
Finance lease liabilities	2.4	9.1	9.1	20.6	20.6	27.0	27.0
Loans and other financial liabilities	3.3	20.4	–	23.7	23.7	23.8	23.8
Financial liabilities	**10.2**	**510.1**	**9.1**	**529.4**	**550.6**	**623.3**	**642.0**

Analysis by currency

CHF million	**2010**	**2009**
CHF	480.1	540.0
EUR	45.4	77.9
Other	3.9	5.4
Financial liabilities	**529.4**	**623.3**

Finance lease liabilities

CHF million	Less than 1 year	Over 1 year	Total	Total
			2010	**2009**
Future minimum lease payments	3.0	20.6	23.6	35.8
Future finance charges	0.6	2.4	3.0	8.8
Present value of minimum lease payments	2.4	18.2	20.6	27.0

Terms of significant financial liabilities

CHF million	Currency	Interest rate	Term	Volume	Used	Volume	Used
				2010		2009	
Fixed-rate US private placement	CHF	3.54%	2003 – 10.12.2010	–	–	53.3	53.3
Fixed-rate US private placement	CHF	4.08%	2003 – 10.12.2013	33.3	33.3	33.3	33.3
Fixed-rate US private placement	CHF	4.29%	2003 – 10.12.2015	20.0	20.0	20.0	20.0
Bond	CHF	3.13%	2009 – 02.10.2014	200.0	200.0	200.0	200.0
Syndicated loan	CHF	Libor + 1.4%	2009 – 30.06.2012	280.0	–	375.0	–
Bank loans	CHF	div.	div.	310.0	225.0	310.0	235.0
Fixed-term bank facilities	div.	div.	div.	–	–	17.8	17.8
Total				**843.3**	**478.3**	**1 009.4**	**559.4**

In the reporting year, the Group had bilateral committed credit facilities totalling CHF 590.0 million, arranged with ten different financial institutions. The loans bear interest at rates of between 2.10% and 3.09% and are due for repayment from 2012 to 2015. Long-term bank loans were reduced by CHF 10.0 million during the reporting year. Furthermore, the CHF 53.3 million fixed-rate US private placement that matured in 2010 and the short-term fixed bank facilities of CHF 17.8 million were repaid in full. Optimisation of credit facilities allowed the syndicated loan to be reduced by CHF 95.0 million to CHF 280.0 million. 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. All terms of credit were complied with at the reporting date on 31 December 2010.

11 Provisions

CHF million	Warranties	Legal claims	Other	Total	Total
				2010	**2009**
Balance at 1 January	45.3	15.1	23.0	83.4	78.1
Additional provisions	28.9	4.6	8.2	41.7	49.8
Unused amounts reversed	−5.2	−3.1	−2.4	−10.7	−14.2
Used during year	−27.6	−0.7	−8.9	−37.2	−35.4
Acquisition/disposal of subsidiaries	–	–	–	–	4.3
Exchange differences	−5.2	−2.2	−3.1	−10.5	0.8
Balance at 31 December	**36.2**	**13.7**	**16.8**	**66.7**	**83.4**
Current portion	34.0	12.0	7.8	53.8	68.5
Non-current portion	2.2	1.7	9.0	12.9	14.9

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 primarily 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 cover various risks associated with the Group's industrial operations, including environmental protection measures. In the reporting year, a provision of CHF 5.0 million was recognised for restructuring at Emhart Glass. This provision was made to cover costs associated with relocating production of glass forming machines from Italy to Malaysia and closing down the Italian manufacturing facility. In addition, purchasing of select components will be transferred from Europe to Malaysia. In the reporting year, an amount of CHF 7.6 million in provisions was used for the closure of the Hanover manufacturing facility (Bucher Municipal).

12 Other payables

CHF million	2010	2009
Accruals and deferred income	101.2	92.0
Social security and pensions	18.8	23.4
Sales and capital tax liabilities	16.6	16.2
Derivative financial instruments	1.1	0.1
Other	35.2	46.3
Other payables	**172.9**	**178.0**
Current portion	168.6	173.6
Non-current portion	4.3	4.4

Accruals and deferred income mainly include accrued holiday and overtime pay as well as variable remuneration.

13 Derivative financial instruments

	Fair value		Contractual amount	Fair value		Contractual amount
CHF million	Positive	Negative		Positive	Negative	
	2010		2010	2009		2009
Forward currency contracts and options	3.9	1.1	247.2	0.8	–	218.8
Interest rate contracts	–	0.0	1.9	–	0.1	2.5
Outstanding derivative financial instruments	**3.9**	**1.1**	**249.1**	**0.8**	**0.1**	**221.3**
Current portion	3.9	1.1		0.8	0.1	
Non-current portion	–	–		–	–	

Derivative financial instruments are used to manage exposure to interest rate and foreign currency risks within the Group. The contractual amounts reflect the volume (notional amount) of hedging contracts outstanding at the reporting date. The negative fair value is the amount the Group would have to pay to settle outstanding contracts at the reporting date. The positive fair value represents the unrealised gain on hedges at the reporting date. 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.

At 31 December 2010, the Group had no outstanding hedges designated for hedge accounting. During the reporting year, an amount of CHF 1.1 million was transferred from the cash flow hedge reserve in equity to the income statement.

14 Change in working capital (recognised in the cash flow statement)

CHF million

	2010	2009
Change in receivables	10.2	158.5
Change in inventories	–17.2	172.7
Change in advances from customers	40.6	–37.3
Change in trade payables	34.9	–123.2
Change in other non-interest-bearing liabilities	13.2	–65.5
Other changes in working capital	–0.2	–0.7
Change in working capital	**81.5**	**104.5**

15 Share capital

Registered shares		2010	2009
Par value	CHF	0.20	0.20
In issue and ranking for dividend	number	10 565 900	10 565 900
Authorised but unissued	number	1 184 100	1 184 100
Treasury shares	number	542 516	564 765
Issued share capital	CHF million	2.1	2.1

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

16 Treasury shares

	Number of shares	CHF 1 000
Balance at 1 January	564 765	26 561
Purchase of treasury shares	300	39
Sales of treasury shares	–800	–64
Reissued for share-based payment schemes	–21 749	–1 447
Balance at 31 December	**542 516**	**25 089**

17 Raw materials and consumables used

Raw materials and consumables used include all costs of raw materials and consumables, goods purchased and third-party manufacturing, processing or conversion of the Group's products (services purchased).

18 Employment costs

CHF million	2010	2009
Wages and salaries	395.9	396.2
Share awards	1.5	1.5
Share option plan	3.1	3.0
Social security and pension costs	103.6	105.2
Other employment costs	38.0	30.1
Employment costs	**542.1**	**536.0**

As the remuneration package was revised, no share options were granted during the year. The costs of share options plans were recognised as employment costs pro rata over the periods to vesting based on options granted in previous periods. Social security and pension costs include all statutory and voluntary employee pension costs. Other employment costs comprise incidental costs of staff recruitment, training and development as well as external staff costs.

19 Other operating income

CHF million	2010	2009
Own work capitalised	1.1	0.7
Income from reversal of provisions	5.1	5.8
Gain on disposal	0.5	–
Gain on sale of non-current assets	0.4	0.7
Interest income from operating lease receivables	0.6	1.3
Other income	18.9	16.9
Other operating income	**26.6**	**25.4**

Other operating income comprises revenue from sales of goods and services that are outside the normal course of the Group's business. A gain was realised on the sale of the project business for airport snow sweepers and Rolba snow blowers (Bucher Municipal).

20 Other operating expenses

CHF million	2010	2009
Energy, maintenance and repairs	71.1	73.3
Charges, taxes, levies and consulting fees	34.8	42.3
Marketing and distribution costs	97.0	95.6
Miscellaneous operating expenses	62.0	71.6
Other operating expenses	**264.9**	**282.8**

Charges, taxes, levies and consulting fees include CHF 15.0 million (2009: CHF 18.3 million) in capital tax. Miscellaneous operating expenses include operating foreign exchange items and necessary provisions for operating liabilities that cannot be charged to a more appropriate expense account. Costs under operating leases amounted to CHF 10.5 million (CHF 10.7 million).

21 Development costs

Development costs of CHF 73.2 million (2009: CHF 75.9 million) were charged to the income statement for 2010. They 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. As in the previous year, no development costs were capitalised.

22 Finance costs

CHF million	2010	2009
Interest expense on financial liabilities	19.9	18.4
Other finance costs	3.4	2.2
Finance costs	**23.3**	**20.6**

23 Finance income

CHF million	2010	2009
Net gain on financial instruments held for trading	1.1	0.9
Net gain on sale of available-for-sale financial instruments	9.8	6.3
Net gain on financial instruments	**10.9**	**7.2**
Interest income on financial assets	2.4	2.0
Financial foreign exchange gains and losses	−1.5	−6.5
Other finance income	0.2	0.3
Finance income	**12.0**	**3.0**

The amount realised on the sale of "available-for-sale" securities and transferred from equity (other comprehensive income) to the income statement was CHF 9.8 million (2009: CHF 5.1 million).

24 Income tax expense

Current income tax

CHF million	2010	2009
Current income tax	46.3	31.0
Deferred income tax	−3.4	0.4
Income tax expense	**42.9**	**31.4**
Reconciliation:		
Profit before tax	140.6	7.0
Weighted average tax rate	32.7%	34.5%
Theoretical income tax charge	**46.0**	**2.4**
Utilisation of unrecognised tax loss carryforwards	−10.1	−3.6
Reassessment of tax loss carryforwards with tax asset adjustment	−0.2	2.4
Adjustments in respect of losses and deferred tax assets	4.9	7.7
Expenses not deductible for tax purposes/income not subject to tax	−1.1	24.0
Under/(over) provided in prior years	1.7	−0.8
Other differences	1.7	−0.7
Effective income tax expense	**42.9**	**31.4**
Effective tax rate	30.5%	448.6%

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. In the previous year, the tax rate was significantly impacted by non-tax-deductible goodwill impairment charges. Contrary to expectations, some of the tax losses suffered by several subsidiaries in the previous year were already able to be offset against profits in the 2010 reporting year.

Deferred income tax

CHF million	Assets	Liabilities	Assets	Liabilities
	2010		**2009**	
Property, plant and equipment	1.8	18.1	1.8	19.1
Other financial and non-current assets	1.9	13.9	1.3	15.6
Inventories	19.1	3.4	20.0	3.1
Other current assets	1.0	6.7	1.0	13.3
Provisions	3.3	10.1	3.6	9.3
Other liabilities	7.6	1.7	8.7	1.8
Tax loss carryforwards	6.1	–	6.7	–
Deferred income tax assets and liabilities	**40.8**	**53.9**	**43.1**	**62.2**
Offset amounts	−15.2	−15.2	−13.7	−13.7
Deferred income tax assets	**25.6**		**29.4**	
Deferred income tax liabilities		**38.7**		**48.5**

The deferred income tax liabilities recognised directly in equity (other comprehensive income) amounted to CHF 3.2 million (2009: CHF 5.2 million) and related entirely to the net change in the fair value reserve. 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
	2010		**2009**	
Balance at 1 January	29.4	48.5	34.4	47.8
Transfer from income tax liabilities	–	–	–	−2.6
Charged/credited to income statement	0.7	−2.7	−5.8	−5.4
Charged/credited to equity (other comprehensive income)	–	−2.0	–	−0.7
Acquisition/disposal of subsidiaries	–	–	0.8	9.6
Exchange differences	−4.5	−5.1	–	−0.2
Balance at 31 December	**25.6**	**38.7**	**29.4**	**48.5**

Tax loss carryforwards

CHF million

	2010	2009
Total tax loss carryforwards	133.6	150.8
Of which recognised in deferred income tax	34.3	35.9
Unrecognised tax loss carryforwards	**99.3**	**114.9**
Of which expiring:		
Within 12 months	0.1	–
In 1 to 5 years	23.9	20.3
After 5 years	31.4	35.9
Available indefinitely for offset	43.9	58.6
Tax effect on unrecognised tax loss carryforwards	21.5	25.7

As in the previous year, no tax loss carryforwards expired in 2010. 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.

25 Earnings and dividend per share

	2010	2009
Profit/(loss) attributable to owners of Bucher Industries AG (CHF million)	95.4	– 26.0
Average number of shares outstanding (undiluted)	10 012 755	9 986 736
Average number of shares outstanding (diluted)	10 036 328	9 990 853
Basic earnings per share (CHF)	9.53	– 2.60
Diluted earnings per share (CHF)	9.51	– 2.60
Dividend per registered share (CHF)[1)]	3.00	2.00
Total dividend (CHF million)[1)]	31.7	21.1

1) 2011: proposed by the board of directors.

The average number of shares outstanding is calculated based on the number of shares in issue less the weighted average number of treasury shares held. The inclusion of outstanding share options diluted earnings per share by CHF 0.02 (2009: no dilution).

26 Retirement benefits

Funding of defined benefit plans

CHF million

	2010	2009
Fair value of plan assets	281.5	263.9
Present value of funded obligations	– 264.8	– 243.8
Funding surplus/(deficit)	**16.7**	**20.1**
Present value of unfunded obligations	– 16.6	– 18.0
Surplus/(deficit)	**0.1**	**2.1**
Cumulative unrecognised actuarial losses	31.9	27.8
Unrecognised surplus	– 29.8	– 29.7
Amounts recognised in the balance sheet	**2.2**	**0.3**
Retirement benefit obligations	– 16.1	– 18.4
Other financial assets	18.3	18.7

Pension plan assets do not include any shares of Bucher Industries AG. No pension plan assets are used by the Group.

Movements in defined benefit obligations

CHF million

	2010	2009
Present value of obligations at 1 January	261.8	253.1
Current service cost	8.5	5.7
Interest cost	9.3	9.8
Employee contributions	4.4	4.3
Benefits paid	– 8.7	– 19.7
Acquisitions and disposals	5.3	0.7
Plan curtailments/settlements	– 5.2	0.7
Actuarial (gains)/losses	14.4	7.7
Exchange differences	– 8.4	– 0.5
Present value of obligations at 31 December	**281.4**	**261.8**

Movements in fair value of plan assets

CHF million

	2010	2009
Fair value of plan assets at 1 January	263.9	252.3
Expected return on plan assets	10.5	10.1
Employer contributions	9.6	7.0
Employee contributions	4.4	4.3
Benefits paid	–7.5	–13.4
Acquisitions and disposals	4.3	–
Plan curtailments/settlements	–4.1	–0.5
Actuarial gains/(losses)	5.2	4.5
Exchange differences	–4.8	–0.4
Fair value of plan assets at 31 December	**281.5**	**263.9**

In 2010, the actual net return on plan assets was CHF 15.7 million (2009: CHF 14.6 million).

Categories of plan assets

CHF million

	2010	%	2009	%
Equities	73.5	26.1	45.7	17.3
Bonds	78.5	27.9	73.5	27.9
Property	56.8	20.2	60.8	23.0
Cash and other financial assets	72.7	25.8	83.9	31.8
Plan assets	**281.5**	**100.0**	**263.9**	**100.0**

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Pension plan assets are allocated to the various asset categories with the strategic objective of generating an adequate investment return, together with the contributions paid.

Pension costs

CHF million

	2010	2009
Current service cost	– 5.6	– 5.7
Past service cost	– 2.9	– 0.3
Interest cost	– 9.3	– 9.8
Expected return on plan assets	10.5	10.1
Plan settlements/curtailments	0.6	– 1.0
Amortisation of actuarial (gains)/losses	– 4.0	3.0
Effects of unrecognised surplus	1.5	– 4.4
Defined benefit pension costs	**– 9.2**	**– 8.1**
Defined contribution pension costs	– 28.5	– 29.2
Pension costs	**– 37.7**	**– 37.3**

The Group expects to pay CHF 8.6 million in contributions to defined benefit plans in 2011 (2010: CHF 8.7 million).

Actuarial assumptions

Weighted average in %

	2010	2009
Discount rate	3.1	3.6
Expected return on plan assets	3.9	4.0
Future salary increases	1.0	1.1
Future pension increases	0.1	0.1

Funding of defined benefit obligations

CHF million

	2010	2009	2008	2007	2006
Fair value of plan assets	281.5	263.9	252.3	265.2	260.8
Present value of defined benefit obligations	281.4	261.8	253.1	245.9	253.1
Surplus/(deficit)	**0.1**	**2.1**	**– 0.8**	**19.3**	**7.7**
Experience adjustments on plan assets	5.2	4.5	– 26.2	– 4.5	14.0
Experience adjustments on plan liabilities	– 2.1	3.5	– 8.2	3.2	19.1

27 Share-based payments/share option plan

The remuneration package was revised last year with the introduction of new share plans. 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. It was adopted last year to replace the previous long-term incentive plan. 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.

Bucher Share Plan The Bucher Share Plan was adopted last year to replace the previous share option plan, which provided for the grant of a fixed number of share options. The new 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 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 19 782 shares for the reporting year. Shares under the Bucher share plans were valued at a share price of CHF 185.00 and represented a total value of CHF 3.7 million. The number of shares awarded under the Bucher Executive Share Plan was calculated using a share price of CHF 136.00 and those under the Bucher Share Plan using a share price of CHF 185.00.

Share option plans No new share options were granted in 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, have a life of ten years and the commencement of the one- to four-year exercise period is staggered.

Movements in the number of share options outstanding

	Number of options	Average exercise price in CHF	Number of options	Average exercise price in CHF
	2010		**2009**	
Outstanding at 1 January	261 500	144.3	213 000	147.5
Granted	–	–	64 200	115.0
Exercised	– 10 970	113.4	– 14 500	59.2
Expired	– 2 250	140.5	– 1 200	166.5
Outstanding at 31 December	**248 280**	**145.7**	**261 500**	**144.3**
Exercisable	158 430		111 650	

The expense recognised as employment costs in the reporting period was CHF 3.1 million (2009: CHF 3.0 million). The cumulative amount recognised in equity was CHF 11.3 million (CHF 8.2 million). The average share price for options exercised was CHF 136.00 (CHF 105.90).

Option expiry dates

	Number of options	Average exercise price in CHF	Number of options	Average exercise price in CHF
	2010		**2009**	
2015	28 830	108.0	35 300	108.0
2016	44 700	116.0	47 400	116.0
2017	54 900	221.0	55 200	221.0
2018	57 900	149.0	59 400	149.0
2019	61 950	115.0	64 200	115.0
Outstanding at 31 December	**248 280**	**145.7**	**261 500**	**144.3**

28 Related party transactions

Key management remuneration

CHF million	2010	2009
Salaries	5.5	4.3
Post-employment benefits	1.4	1.1
Share awards	2.3	1.3
Share option plan	1.0	1.0
Key management remuneration	**10.2**	**7.7**

Salaries include variable remuneration, fees and expense allowances paid in cash. For the reporting year, group management members were awarded 11 703 registered shares of CHF 0.20 each in Bucher Industries AG for the first time under the new 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	2010	2009
Receivables from pension funds	18.3	18.7
Payables to associates	1.4	0.9

All related party transactions were entered into on normal commercial terms and conditions. In 2010, goods worth CHF 16.8 million (2009: CHF 18.9 million) were purchased from associates. At the reporting date, there were no receivables or off-balance sheet contingent liabilities in respect of associates.

29 Financial risk management

Directors' risk report

Bucher Industries has a centralised risk management system with defined risk control processes. Risk management is an integral part of the planning and implementation of the business strategy. The board of directors defines and approves the framework for risk management policy and annually monitors compliance with the risk control mechanisms. Furthermore, it annually sets the risk limits for financial management within the Group.

Within risk management, risks are categorised as strategic, operational, financial or organisational. Strategic risks are usually complex and difficult to quantify, but have a significant impact on the success of the business. Financial risks are controlled and monitored centrally. The board of directors and group management are responsible for assessing strategic, financial and organisational risks. Operational risks are assigned to the divisions and their operating units. 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 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 addition to the risk management disclosures on the following pages, more information about the Group's risk management can be found on pages 84 and 85 the financial report.

Fair value disclosures

Fair value measurements of financial instruments carried at fair value in the balance sheet are classified using a three-level hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: fair value measurements are derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities.
- Level 2: fair value measurements are based on inputs other than quoted prices included within level 1 that are observable for similar assets or liabilities, either directly or indirectly.
- Level 3: inputs based on observable market data are not available for fair value measurement.

There were no transfers between the various levels during the reporting period.

Fair value hierarchy

CHF million	Level 1	Level 2	Level 3	Carrying amount
2010				
Money market instruments	227.9	–	–	**227.9**
Short-term investments	64.1	–	–	**64.1**
Derivative financial instruments	–	3.9	–	**3.9**
Assets measured at fair value	**292.0**	**3.9**	**–**	**295.9**
Derivative financial liabilities	–	1.1	–	**1.1**
Liabilities measured at fair value	**–**	**1.1**	**–**	**1.1**
2009				
Money market instruments	157.9	–	–	**157.9**
Derivative financial instruments	68.0	–	–	**68.0**
Short-term investments	–	0.8	–	**0.8**
Assets measured at fair value	**225.9**	**0.8**	**–**	**226.7**
Derivative financial liabilities	–	0.1	–	**0.1**
Liabilities measured at fair value	**–**	**0.1**	**–**	**0.1**

Carrying amounts/fair values of financial assets and liabilities by category

CHF million	Held for trading at fair value through profit or loss	Loans and receivables	Available-for-sale	Financial liabilities at amortised cost	Carrying amount	Fair value
2010						
Cash and cash equivalents	227.9	256.4	–	–	**484.3**	**484.3**
Short-term investments	–	–	64.1	–	**64.1**	**64.1**
Trade receivables	–	352.2	–	–	**352.2**	**352.2**
Other receivables	3.9	36.4	–	–	**40.3**	**40.3**
Other financial assets	–	19.3	1.0	–	**20.3**	**20.3**
Financial liabilities – current	–	–	–	10.2	**10.2**	**10.2**
Trade payables	–	–	–	203.1	**203.1**	**203.1**
Other payables	1.1	–	–	70.6	**71.7**	**71.7**
Financial liabilities – non-current	–	–	–	519.2	**519.2**	**540.4**
2009						
Cash and cash equivalents	157.9	279.3	–	–	**437.2**	**437.2**
Short-term investments	–	–	68.0	–	**68.0**	**68.0**
Trade receivables	–	405.7	–	–	**405.7**	**405.7**
Other receivables	0.8	41.3	–	–	**42.1**	**42.1**
Other financial assets	–	23.5	1.1	–	**24.6**	**24.6**
Financial liabilities – current	–	–	–	88.7	**88.7**	**89.3**
Trade payables	–	–	–	189.6	**189.6**	**189.6**
Other payables	0.1	–	–	85.9	**86.0**	**86.0**
Financial liabilities – non-current	–	–	–	534.6	**534.6**	**552.7**

Credit risk

The Group placed short-term deposits 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. Other short-term financial investments comprised marketable securities of high credit quality. The repayment of loans receivable in the short term, with a carrying amount of CHF 1.3 million, was renegotiated and postponed until 2012. The loans concerned were reclassified to the long-term assets within other financial assets.

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. The Group therefore had no concentration of credit 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.

The Group's maximum exposure to credit risk was as follows:

CHF million	Carrying amount	Secured	Carrying amount	Secured
	2010		2009	
Cash and cash equivalents	484.3	–	437.2	–
Short-term investments	64.1	–	68.0	–
Trade receivables	352.2	59.2	405.7	52.3
Other receivables	40.3	19.4	42.1	15.8
Other financial assets	20.3	14.8	24.6	19.4
Maximum credit risk exposure	**961.2**	**93.4**	**977.6**	**87.5**

Liquidity risk

Expected cash flows arising from liabilities are equal to the repayment obligations, including any interest payments, as set out in note 10. Cash flows to settle trade payables of CHF 203.1 million (2009: CHF 189.6 million) are expected to occur within 70 days on average, while cash flows to settle other non-interest-bearing liabilities of CHF 70.6 million (CHF 85.9 million) are expected to occur within 35 days on average. As financial derivatives consist almost exclusively of forward currency contracts, the expected net cash flows are immaterial. The quick ratio was 147.1% at the year end (137.0%).

Price risk

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

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 using appropriate financial instruments based on the respective underlying transactions. The group entities report their forecasted cash flows to group treasury, which uses appropriate derivative hedging instruments to hedge the internally aggregated exchange rate exposures with banks.

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	
	2010	**2009**	**2010**	**2009**
1 EUR	1.3787	1.5059	1.2504	1.4836
1 GBP	1.6056	1.6847	1.4527	1.6705
1 USD	1.0378	1.0814	0.9358	1.0298
1 BRL	0.5900	0.5408	0.5638	0.5908
1 AUD	0.9501	0.8491	0.9519	0.9268
100 SEK	14.4300	14.2100	13.9500	14.4700

Value at risk

Value at risk (VaR) is a measure used to quantify how much the value of financial items could change. 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 amount of the reported potential loss is compared with the valuation of the financial items at current market prices and analysed. Based on this analysis, financial items are either restructured or hedged using financial derivatives where necessary.

CHF million	VaR at 31 December	
	2010	**2009**
Foreign currency risk	–20.6	–1.1
Interest rate risk	–7.7	–12.1
Covariance	4.6	0.3
Total	**–23.7**	**–12.9**

The indicated VaR measures were calibrated to a 90% confidence level and a 30-day holding period. They were calculated with a Monte Carlo simulation using scenarios for interest rate and forward exchange curves for all relevant currencies, maintaining the average historical risk factor correlations. The model took into account both linear and non-linear influences of the risk factors. The statistical parameters required for the VaR calculation were determined on the basis of an observation time series covering the last 251 trading days (representing one calendar year), with each observation equally weighted.

30 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 future organic growth, 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.

	2010	2009
Interest coverage ratio (EBITDA to net interest expense)	12.8	11.6
Debt payback period (net debt to EBITDA)	– 0.1	0.6
Gearing ratio (net debt to equity)	– 2.5%	14.9%
Equity ratio (equity to total assets)	37.7%	37.3%
Quick ratio (current assets less inventory/current liabilities)	147.1%	137.0%

31 Contingent liabilities

Contingent liabilities amounting to CHF 1.8 million (2009: CHF 11.0 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.

32 Pledged assets

Assets with a carrying amount of CHF 1.7 million (2009: CHF 2.3 million) were pledged or assigned to secure the Group's obligations.

33 Commitments

Fixed-term operating leases

CHF million	Less than 1 year	1–5 years	Over 5 years	Total
At 31 December 2010	8.1	19.0	17.0	**44.1**
At 31 December 2009	7.4	18.3	19.3	**45.0**

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.

34 Events after the reporting period

On 26 January 2011, Bucher Industries announced the acquisition of a 24.24% interest in German-based Rauch Landmaschinenfabrik GmbH, Sinzheim. The deal is expected to be completed in the first half of 2011. With this strategic investment, the Kuhn Group division is reinforcing the long-standing working partnership with the family-owned company. Rauch is a specialist in fertiliser and winter maintenance spreaders as well as pneumatic seed drills. The company generated sales of approximately EUR 42 million for the 2009/2010 financial year with 300 employees. The investment will be in the form of newly issued capital and be reported as an associate.

On 27 January 2011, the purchase was announced of Sutter brand wine presses and the related spare parts and service business from the Swiss-based Filtrox Group, St. Gallen. No employees or production facilities will be taken over. This acquisition will strengthen Bucher Vaslin's wine press operations.

The consolidated financial statements were authorised for issue by the board of directors on 8 March 2011. They are subject to formal approval by the annual general meeting on 14 April 2011.

When the consolidated financial statements were finalised on 8 March 2011, neither the board of directors nor the group management was aware of any events that would have a material impact on the consolidated financial statements presented.

Group companies

Significant consolidated companies

Company, place of incorporation	Country	Currency	Share capital	Group interest %	Division	Activities
Bucher Industries AG, Niederweningen	CH	CHF	2 113 180		O	S
Bucher Industries France SAS, Entzheim	FR	EUR	311 210 000	100	O	S
Bucher Beteiligungen GmbH, Klettgau	DE	EUR	4 500 000	100	O	S
Bucher Beteiligungs-Stiftung, Niederweningen	CH	CHF	250 000	100	O	S
Bucher BG Finanz AG, Steinhausen	CH	CHF	26 505 000	100	O	S
Bucher Finance Ltd., Jersey	GB	EUR	51 000	100	O	S
Kuhn Germany GmbH, Freiburg	DE	EUR	4 000 000	100	O	S
Bucher Industries Italia S.p.A., Reggio Emilia	IT	EUR	3 380 000	100	O	S
Bucher Industries US Inc., Enfield CT	US	USD	10 000 000	100	O	S
Bucher Investment GmbH, Steinhausen	CH	CHF	100 000	100	O	S
Bucher Management AG, Kloten	CH	CHF	6 600 000	100	O	S
Kuhn Group SAS, Saverne	FR	EUR	300 100 000	100	O	S
Kuhn SA, Saverne	FR	EUR	19 488 000	100	KG	P D
Kuhn-Blanchard SAS, Chéméré	FR	EUR	2 000 000	100	KG	P D
Kuhn-Geldrop B.V., Geldrop	NL	EUR	15 000 000	100	KG	P D
Contifonte SA, Saverne	FR	EUR	48 000	98	KG	P D
Kuhn North America, Inc., Brodhead WI	US	USD	10 000	100	KG	P D
Kuhn do Brasil S/A, Passo Fundo	BR	BRL	11 181 000	100	KG	P D
Kuhn MGM SAS, Monswiller	FR	EUR	2 000 000	99	KG	P D
Kuhn-Audureau SA, La Copechagnière	FR	EUR	4 070 000	100	KG	P D
Kuhn-Huard SA, Châteaubriant	FR	EUR	4 800 000	100	KG	P D
Kuhn Farm Machinery Inc., Sainte Madeleine	CA	CAD	150 000	100	KG	D
Kuhn Farm Machinery Ltd., Telford	GB	GBP	100 000	100	KG	D
Kuhn Farm Machinery Pty Ltd., Warragul VIC	AU	AUD	100 000	100	KG	D
Kuhn Farm Machinery Sarl, Kiev	UA	UAH	650 000	100	KG	D
Kuhn Iberica SA, Daganzo	ES	EUR	100 000	100	KG	D
Kuhn Italia Srl., Melegnano	IT	EUR	520 000	100	KG	D
Kuhn Maschinen-Vertrieb GmbH, Schopsdorf	DE	EUR	300 000	100	KG	D
Kuhn Maszyny Rolnicze Sp.z.o.o., Suchy Las	PL	PLN	3 536 000	100	KG	D
Kuhn Vostok LLC, Moscow	RU	RUB	10 000 000	100	KG	D
Kuhn Parts SAS, Saverne	FR	EUR	5 000 000	100	KG	S

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

Company, place of incorporation	Country	Currency	Share capital	Group interest %	Division	Activities		
Bucher-Guyer AG, Niederweningen	CH	CHF	10 000 000	100	BM	P	D	S
Bucher Schörling GmbH, Hanover	DE	EUR	3 000 000	100	BM		D	
Gmeiner GmbH, Kümmersbruck	DE	EUR	26 000	100	BM	P	D	
Bucher Schörling Korea Ltd., Seoul	KR	KRW	350 000 000	100	BM	P	D	
SIA Bucher Schoerling Baltic, Ventspils	LV	LVL	2 551 500	100	BM	P	D	
Giletta S.p.A., Revello	IT	EUR	1 000 000	50	BM	P	D	
Arvel Industries Sàrl, Coudes	FR	EUR	200 000	50	BM	P	D	
Tecvia Eurl, Lyon	FR	EUR	38 112	50	BM		D	
Johnston Sweepers Ltd., Dorking	GB	GBP	8 000	100	BM	P	D	
Beam A/S, Them	DK	DKK	5 000 000	100	BM	P	D	
MacDonald Johnston Ltd., Clayton North	AU	AUD	5 901 000	100	BM	P	D	
Bucher Hydraulics GmbH, Klettgau	DE	EUR	4 000 000	100	BH	P	D	
Bucher Hydraulics Dachau GmbH, Dachau	DE	EUR	30 000	100	BH	P	D	
Bucher Hydraulics Produktions AG, Langendorf	CH	CHF	200 000	100	BH	P		
Bucher Hydraulics SAS, Rixheim	FR	EUR	200 000	100	BH	P	D	
Bucher Hydraulics Ltd., Nuneaton	GB	GBP	10 000	100	BH		D	
Bucher Hydraulics AG, Neuheim	CH	CHF	1 200 000	100	BH	P	D	
Bucher Hydraulics Co., Ltd., Taoyuan	TW	TWD	20 000 000	55	BH	P	D	
Suzhou Bucher Hydraulics Co. Ltd., Wujiang	CN	CNY	13 640 000	100	BH	P	D	
Bucher Hydraulics GmbH, Remscheid	DE	EUR	25 000	100	BH	P	D	
Bucher Hidrolik Sistemleri Tic. Ltd. Sti., Istanbul	TR	TRY	26 000	100	BH		D	
Bucher Hydraulics KK, Tokyo	JP	JPY	100 000	85	BH		D	
Bucher Hydraulics AG Frutigen, Frutigen	CH	CHF	300 000	100	BH	P	D	
Bucher Hydraulics S.p.A., Reggio Emilia	IT	EUR	1 500 000	100	BH	P	D	
Bucher Hydraulics Ltd., New Delhi	IN	INR	12 000 000	100	BH	P	D	
Bucher Hydraulics Inc., Grand Rapids	US	USD	12 150 000	100	BH	P	D	
Bucher Hydraulics Corp., London	CA	CAD	75 000	100	BH			S
Command Controls Corp., Elgin	US	USD	23 000	100	BH	P	D	

Company, place of incorporation	Country	Currency	Share capital	Group interest %	Division	Activities
Emhart Glass SA, Cham	CH	CHF	10 000 000	100	EG	D S
Emhart Glass Manufacturing Inc., Elmira NY	US	USD	1 000	100	EG	P
Emhart Glass Sdn Bhd., Ulu Tiram Johor	MY	MYR	250 000	100	EG	P
Emhart Glass Sweden AB, Sundsvall	SE	SEK	30 000 000	100	EG	P S
Emhart Glass GmbH, Neuss	DE	EUR	50 000	100	EG	S
Emhart Glass Inc., Enfield CT	US	USD	2	100	EG	S
Emhart Glass International SA, Cham	CH	CHF	100 000	100	EG	S
Emhart Glass Japan Pte. Ltd., Singapore	SG	JPY	100	100	EG	S
Emhart Glass Japan Co Ltd., Kawasaki	JP	JPY	10 000 000	100	EG	S
Emhart Glass Ltd., Doncaster	GB	GBP	38 000	100	EG	S
Emhart Glass OOO, Moscow	RU	RUB	10 000	100	EG	D S
Emhart Glass Pte. Ltd., Singapore	SG	SGD	2	100	EG	S
Emhart Glass S.r.l., Dego	IT	EUR	320 000	100	EG	S
Emhart Glass Spain SA, Madrid	ES	EUR	65 016	100	EG	S
Bucher Vaslin SA, Chalonnes-sur-Loire	FR	EUR	2 400 000	100	BSp	P D
Bucher Vaslin MS SA, Rivesaltes	FR	EUR	410 000	100	BSp	P D
Bucher Vaslin S.p.A., Romans d'Isonzo	IT	EUR	208 000	100	BSp	D
Bucher Vaslin Australia Pty Ltd, Mawson Lakes	AU	AUD	10	100	BSp	D
Bucher Vaslin North America, Inc., Sebastopol CA	US	USD	88 000	100	BSp	D
Bucher Vaslin Sudamérica, Santiago de Chile	CL	CLP	924 000	100	BSp	P D
Bucher Unipektin Ltd., Niederweningen	CH	CHF	600 000	100	BSp	P D
Bucher Unipektin Equipment Co. Ltd, China[1)]	CN	CNY	2 481 195	100	BSp	D
Bucher-Alimentech Ltd., Auckland	NZ	NZD	2 503 000	100	BSp	P D
Bucher-Zédrys SA, Croissy Beaubourg	FR	EUR	250 000	100	BSp	S
Bucher Engineering Ges.m.b.H., Vösendorf	AT	EUR	36 336	100	BSp	D
Bucher Landtechnik AG, Niederweningen	CH	CHF	4 000 000	100	BSp	D

Associates

Company, place of incorporation	Country	Currency	Share capital	Group interest %	Division	Activities
Jetter AG, Ludwigsburg	DE	EUR	3 241 061	27	O	P D

[1)] Consolidated for the first time in 2010.
Divisions: KG Kuhn Group, BM Bucher Municipal, BH Bucher Hydraulics, EG Emhart Glass, BSp Bucher Specials, O Other.
Activities: P Production, D Distribution, S Services.

Report of the statutory auditor

PRICEWATERHOUSECOOPERS

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 68 to 125), for the year ended 31 December 2010.

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 effective-ness 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 2010 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

Beat Inauen	Ralf Zwick
Audit expert	Audit expert
Auditor in charge	

Zurich, 8 March 2011

Balance sheet of Bucher Industries AG at 31 December 2010

	CHF 1 000	Note	2010	2009
Assets	Cash and cash equivalents		152 484	117 724
	Receivables from group companies		24 133	19 593
	Other receivables		4 223	1 164
	Current assets		**180 840**	**138 481**
	Loans to group companies	1	491 112	611 439
	Loans to third parties		13	46
	Investments	2	691 058	637 112
	Intangible assets	3	28 750	43 341
	Non-current assets		**1 210 933**	**1 291 938**
	Assets		**1 391 773**	**1 430 419**
Liabilities and equity	Short-term bank borrowings		–	23 696
	Current payables to group companies		233 360	212 715
	Private placements		–	53 288
	Other current liabilities		7 709	4 034
	Current liabilities		**241 069**	**293 733**
	Private placements		53 288	53 288
	3 $^{1}/_{8}$% bond 2009 to 2014		200 000	200 000
	Long-term bank borrowings		223 661	233 331
	Other non-current liabilities		–	2 048
	Provisions	4	4 994	4 912
	Non-current liabilities		**481 943**	**493 579**
	Share capital	5	2 113	2 113
	Statutory reserve		70 610	70 610
	Distributable reserve		482 000	326 000
	Retained earnings		67 252	53 176
	Profit for the year		46 786	191 208
	Equity		**668 761**	**643 107**
	Liabilities and equity		**1 391 773**	**1 430 419**

Income statement of Bucher Industries AG for the year ended 31 December 2010

	CHF 1 000	Note	2010	2009
Income	Income from investments	7	49 005	193 696
	Finance income	8	225 573	242 945
	Royalty income from group companies	9	11 662	10 322
	Reversal of impairment charges	11	15 000	–
	Gain on sale of non-current assets		495	6
	Other income		2 274	–
	Income		**304 009**	**446 969**
Expenses	Administrative expenses		2 819	3 159
	Finance costs	10	236 303	221 294
	Impairment charges	11	4 223	17 585
	Amortisation of intangible assets		13 723	13 723
	Income tax expense		155	–
	Expenses		**257 223**	**255 761**
	Profit for the year		**46 786**	**191 208**

Notes to the financial statements of Bucher Industries AG

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

Bucher Industries AG's direct and indirect investments in subsidiaries and associates are presented in the list of group companies on pages 123 to 125 of the annual report.

3 Intangible assets

Intangible assets comprised primarily trademarks of group companies.

4 Provisions

Provisions have been made for business risks, guarantee obligations 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 34.14% of the voting rights, as published in the Swiss Official Gazette of Commerce (SHAB) on 10 May 2005. The essence of the shareholders' agreement has not been published. At the reporting date Bucher Beteiligungs-Stiftung held 5.13% 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. 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 94.9 million (2009: CHF 113.7 million). The amount claimed at the reporting date was CHF 14.9 million (CHF 37.1 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

This item comprised impairment charges on investments.

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		Share awards under share plans		Social security and pension benefits	Other remu-neration	Total	Paid in cash
		Number	Value	Number	Value				
2010									
Rolf Broglie, chairman[1]	191.5	423	57.5	–	–	19.7	13.3	**282.0**	204.8
Thomas W. Hauser, deputy chairman[1]	71.0	404	55.0	–	–	13.0	12.7	**151.7**	83.7
Ernst Bärtschi	45.0	331	45.0	–	–	10.1	12.0	**112.1**	57.0
Thomas W. Bechtler	45.0	331	45.0	–	–	10.1	12.0	**112.1**	57.0
Claude R. Cornaz	45.0	331	45.0	–	–	9.1	2.0	**101.1**	47.0
Anita Hauser	45.0	331	45.0	–	–	10.1	12.0	**112.1**	57.0
Heinrich Spoerry	45.0	331	45.0	–	–	10.1	12.0	**112.1**	57.0
Directors	**487.5**	**2 482**	**337.5**	**–**	**–**	**82.2**	**76.0**	**983.2**	**563.5**
2009									
Thomas W. Hauser, chairman[2]	47.3	347	36.7	–	–	9.0	12.7	**105.7**	60.0
Rolf Broglie, deputy chairman[2]	54.3	300	31.8	–	–	8.6	12.7	**107.4**	67.0
Ernst Bärtschi	30.0	284	30.1	–	–	7.1	12.0	**79.2**	42.0
Thomas W. Bechtler	30.0	284	30.1	–	–	7.1	12.0	**79.2**	42.0
Claude R. Cornaz	30.0	284	30.1	–	–	6.1	2.0	**68.2**	32.0
Anita Hauser	30.0	284	30.1	–	–	6.1	2.0	**68.2**	32.0
Heinrich Spoerry	30.0	284	30.1	–	–	6.6	7.0	**73.7**	37.0
Kurt E. Siegenthaler[3]	110.0	800	84.7	675	71.5	22.6	11.8	**300.6**	121.8
Erwin Stoller[3]	–	600	63.5	–	–	7.4	11.2	**82.1**	11.2
Directors	**361.6**	**3 467**	**367.2**	**675**	**71.5**	**80.6**	**83.4**	**964.3**	**445.0**

[1] Since 15 April 2010.
[2] Since 1 September 2009.
[3] Until 31 August 2009.

Share awards to directors comprised directors' fees. Share awards were granted and valued at the average share price of CHF 136.00 for the year (2009: CHF 105.90). 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	Bonus	Share awards under share plans		Share options under option plan		Social security and pension benefits	Other remu-neration	Total	Paid in cash
			Number	Value	Number	Value				
2010										
Philip Mosimann, CEO	860.0	561.6	5 906	1 006.6	–	–	373.1	19.2	**2 820.5**	1 440.8
Other members	2 554.8	948.5	5 797	914.1	–	–	896.9	30.0	**5 344.3**	3 533.3
Group management	**3 414.8**	**1 510.1**	**11 703**	**1 920.7**	**–**	**–**	**1 270.0**	**49.2**	**8 164.8**	**4 974.1**
2009										
Philip Mosimann, CEO	700.2	267.6	4 960	525.3	3 600	131.2	256.6	19.2	**1 900.1**	987.0
Other members	2 129.8	676.7	3 476	368.1	14 400	524.7	811.8	30.0	**4 541.1**	2 836.5
Group management	**2 830.0**	**944.3**	**8 436**	**893.4**	**18 000**	**655.9**	**1 068.4**	**49.2**	**6 441.2**	**3 823.5**

The shares awarded to group management members for the reporting year are based on the new 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 was calculated using the average share price of CHF 136.00 for the year and those under the Bucher Share Plan using a share price of CHF 185.00, representing the average share price during the first three weeks of January 2011. All Shares awarded were valued at CHF 185.00.

Further details are set out in the remuneration report on pages 22 to 28 of this annual report.

Directors' interests in shares at 31 December

	Number of shares	
	2010	**2009**
Rolf Broglie, chairman	12 239	12 039
Thomas W. Hauser, deputy chairman	1 070 407	1 070 060
Ernst Bärtschi	2 778	2 494
Thomas W. Bechtler	2 160	4 061
Claude R. Cornaz	4 648	7 814
Anita Hauser	101 160	100 876
Heinrich Spoerry	1 852	1 568
Directors	**1 195 244**	**1 198 912**

The directors did not hold any share options on 31 December 2010.

Group management's interests in shares and share options at 31 December

		Number of shares		Number of options	
		2010	**2009**	**2010**	**2009**
Philip Mosimann	CEO	42 900	37 940	15 300	15 300
Roger Baillod	CFO	10 964	10 054	7 800	9 000
Jean-Pierre Bernheim	Bucher Vaslin	8 018	7 994	11 680	12 000
Michael Häusermann	Bucher Municipal	5 169	4 859	12 000	12 000
Martin Jetter	Emhart Glass	1 019	959	8 400	10 200
Michel Siebert	Kuhn Group	3 576	1 844	10 200	10 200
Daniel Waller	Bucher Hydraulics	4 909	4 599	11 400	12 000
Group management		**76 555**	**68 249**	**76 780**	**80 700**

		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	2 700	1 800	**15 300**
Roger Baillod	CFO	2 400	2 400	2 400	600	–	**7 800**
Jean-Pierre Bernheim	Bucher Vaslin	2 400	2 400	2 400	2 400	2 080	**11 680**
Michael Häusermann	Bucher Municipal	2 400	2 400	2 400	2 400	2 400	**12 000**
Martin Jetter	Emhart Glass	2 400	2 400	2 400	1 200	–	**8 400**
Michel Siebert	Kuhn Group	2 400	2 400	2 400	1 800	1 200	**10 200**
Daniel Waller	Bucher Hydraulics	2 400	2 400	2 400	2 400	1 800	**11 400**
Group management		**18 000**	**18 000**	**18 000**	**13 500**	**9 280**	**76 780**

The previous share option plans were replaced by the new Bucher share plans last year so no share options were granted for 2010. 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 2010	46 785 719
Retained earnings brought forward	67 252 006
Retained earnings available for distribution	**114 037 725**
The directors propose that the annual general meeting approve the payment of a dividend of CHF 3.00 per dividend-bearing share of CHF 0.20 each	31 697 700
Transfer to distributable reserve	20 000 000
Balance to be carried forward	62 340 025
Total	**114 037 725**

Report of the statutory auditor

PRICEWATERHOUSECOOPERS

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 128 to 136), for the year ended 31 December 2010.

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 2010 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

Beat Inauen	Ralf Zwick
Audit expert	Audit expert
Auditor in charge	

Zurich, 8 March 2011

Five-year summary

Group

CHF million		2010	2009	2008	2007	2006
Order intake		2 216.5	1 797.4	2 791.9	2 704.3	2 163.3
Net sales		2 033.7	2 142.1	2 788.9	2 458.8	2 087.1
Order book		663.0	507.3	843.4	871.3	605.2
Operating profit before depreciation and amortisation (EBITDA)		223.9	189.7	341.6	285.9	184.6
As % of net sales	%	11.0	8.9	12.2	11.6	8.8
Operating profit (EBIT)		151.4	25.8	246.2	229.4	123.7
As % of net sales	%	7.4	1.2	8.8	9.3	5.9
Net financial items		–10.8	–18.8	–29.1	10.6	12.9
Income tax expense		–42.9	–31.4	–71.7	–69.0	–41.1
As % of profit before tax[1]	%	30.5	33.8	33.0	28.8	30.1
Profit/(loss) for the year		97.7	–24.4	145.4	171.0	95.5
As % of net sales	%	4.8	–1.2	5.2	7.0	4.6
Capital expenditure		65.8	58.5	130.9	131.2	60.0
Operating free cash flow		201.9	182.5	–15.3	42.7	101.2
Development costs		73.2	75.9	78.1	71.1	65.3
Total assets		1 984.9	2 124.5	2 067.6	2 130.3	1 839.7
Cash, cash equivalents and short-term investments		548.4	505.2	234.2	492.3	445.5
Receivables		401.8	468.9	577.8	559.9	518.5
Inventories		451.3	485.2	609.0	544.9	460.7
Investments and other financial assets		46.8	51.0	51.5	50.5	34.3
Property, plant and equipment		366.1	408.5	399.2	355.2	279.6
Intangible assets		135.4	164.7	130.9	78.7	61.9
Current liabilities		646.0	711.2	897.1	1 011.5	896.4
Non-current liabilities		591.2	620.8	324.4	246.0	218.8
Total liabilities		1 237.2	1 332.0	1 221.5	1 257.5	1 115.2
Of which interest-bearing		529.4	623.3	320.2	325.6	266.8
Net cash/debt[2]		19.0	–118.1	–110.6	164.2	173.1
Equity		747.7	792.5	846.1	872.8	724.5
Equity ratio	%	37.7	37.3	40.9	41.0	39.4
Return on equity (ROE)	%	12.7	–3.0	16.9	21.4	14.0
Working capital		271.1	400.1	438.7	342.6	316.5
Net operating assets (NOA), average		849.2	1 114.1	891.0	687.1	604.8
Return on net operating assets (RONOA)	%	12.4	1.5	18.5	23.8	14.3
Number of employees at 31 December[3]		7 899	7 183	8 373	7 484	6 775
Average number of employees during year[3]		7 639	7 618	8 176	7 261	6 882
Net sales per employee	CHF 1 000	266.2	281.2	341.1	338.6	303.3

[1] 2009 tax rate before impairment. The effective tax rate after impairment was 448.6%.
[2] Excluding derivative financial liabilities since 1 January 2009.
[3] Expressed as full-time equivalents.

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