

Press release

Niederweningen, 6 March 2014

Best result in the Group's history

In the 2013 business year, Bucher Industries increased sales by 3% to CHF 2 691 million and operating profit by 24% to CHF 287 million. The operating profit margin reached an outstanding 10.7%. Profit for the year rose by 26% to CHF 196 million. The board of directors is proposing a dividend of CHF 6.50 per share to the annual general meeting of 10 April 2014.

Group

CHF million	2013	2012	Change in		
			%	% ²⁾	% ³⁾
Order intake	2 718.2	2 490.4	9.1	9.0	6.6
Net sales	2 690.8	2 609.0	3.1	3.0	0.8
Order book	850.4	795.3	6.9	6.5	3.3
Operating profit (EBITDA) ¹⁾	371.1	306.9	20.9		
<i>As % of net sales</i>	<i>13.8%</i>	<i>11.8%</i>			
Operating profit (EBIT) ¹⁾	287.1	231.7	23.9		
<i>As % of net sales</i>	<i>10.7%</i>	<i>8.9%</i>			
Profit for the year ¹⁾	196.2	156.0	25.8		
<i>As % of net sales</i>	<i>7.3%</i>	<i>6.0%</i>			
Earnings per share in CHF ¹⁾	19.64	15.52	26.5		
Operating free cash flow	91.7	105.4	-13.0		
Net/cash debt	-0.1	-19.4	99.5		
Total assets ¹⁾	2 436.3	2 259.4	7.8		
Equity ¹⁾	1 074.1	890.3	20.6		
<i>Equity ratio</i>	<i>44.1%</i>	<i>39.4%</i>			
<i>Return on equity (ROE)</i>	<i>20.0%</i>	<i>18.3%</i>			
Net operating assets (NOA), average	1 061.3	969.6	9.5		
<i>Return on net operating assets (RONOA) after tax</i>	<i>19.3%</i>	<i>17.0%</i>			
Number of employees at 31 December	10 916	10 166	7.4		2.1
Average number of employees during year	10 788	10 383	3.9		0.7

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

²⁾ Adjusted for currency effects

³⁾ Adjusted for currency, acquisition and disposal effects

Market trends In the reporting year, the markets served by Bucher Industries presented a varied, but mostly favourable picture. Demand in Europe remained rather subdued, but in the USA and South America the upturn was sustained. The market for agricultural machinery was boosted by the healthy level of farmers' incomes, while demand for municipal vehicles remained stable at a low level. The market for specialised hydraulic solutions showed clear regional variations. The business with technologies for the manufacture and inspection of glass containers was held back by measures adopted in China to curb economic growth. Bucher Specials reported positive momentum in its markets overall.

Outstanding operating result The Group took advantage of the generally favourable market conditions, increasing order intake by 9% and sales by 3%. Kuhn Group benefitted from solid demand in its principal markets in Europe and in North and South America, while Bucher Municipal was able to increase market share thanks to flexible production capacity. Bucher Hydraulics and Bucher Specials both continued on a grow curve, whereas Bucher Emhart Glass saw the expected decrease in sales. The Group's operating profit reached CHF 287 million, an increase of 24% that is well above the rate of sales growth. The operating profit margin was 10.7%, an outstanding result. All divisions, but particularly Kuhn Group, contributed thanks to a high degree of flexibility and systematic cost management. Profit for the year showed a marked rise of 26%, reaching CHF 196 million. Earnings per share came in at CHF 19.64. The 2013 business year is the best ever for results in absolute terms as well as for profitability.

Further improvement in financial situation Investments amounted to CHF 137 million in 2013, attributable to the large number of projects undertaken. Major projects included capacity expansion at Kuhn Group and merger of the Bucher Municipal plants in Great Britain. The return on net operating assets after tax was 19.3%, well above the Group's high long-term target of 16%. Cash and cash equivalents amounted to CHF 456 million, exactly the same as the financial liabilities, so the Group ended the year with zero net debt. The equity ratio improved further, reaching a solid 44.1%.

Kuhn Group

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

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

²⁾ Adjusted for currency effects

Outstanding profitability Kuhn Group's main markets for agricultural machinery in Europe and the Americas made pleasing advances in the reporting year. Soy, maize and wheat prices fell back in the second half of the year, but this did not significantly affect business performance thanks to the strong position with milk and meat producers. The division increased both order intake and sales by 5%. Various operational factors such as lower purchasing costs, optimal production planning, greater vertical integration and insourcing, but also the good product mix, all contributed to the outstanding operating profit. The operating profit margin of 14.9% exceeded expectations. In the reporting year, the division invested mainly in expansion projects in France and the Netherlands. At the end of January 2014, Kuhn Group announced its intention to acquire Montana, Brazil, a company which specialises in self-propelled crop protection sprayers and fertiliser spreaders. Completion of the transaction is expected during the first half of 2014.

Bucher Municipal

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

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

²⁾ Adjusted for currency effects

³⁾ Adjusted for currency, acquisition and disposal effects

Stable market environment The European market for municipal vehicles and winter maintenance equipment remained stable at a low level. Austerity measures in the public sector were still clearly felt, particularly in southern Europe. In this intensely competitive environment, Bucher Municipal was able to further improve market share and significantly increase its order intake. The high level of customer satisfaction and flexibility in processing the order led to a follow-up order worth CHF 19 million from the city of Moscow. The division started 2014 with the order book at a higher level than the previous year. As expected, sales in 2013 were lower than the previous year which was boosted by a major order worth CHF 50 million from the city of Moscow. The operating profit margin reached a gratifying 8.6% and was underpinned by a gain on a disposal of around CHF 4 million.

Bucher Hydraulics

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

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

²⁾ Adjusted for currency effects

³⁾ Adjusted for currency, acquisition and disposal effects

Pleasing performance In Bucher Hydraulics' markets in North America and Europe, demand for hydraulic systems and components was generally encouraging. Overall, the division was able to more than compensate for the generally weak construction machinery and industrial hydraulics segments, although the market in China declined as a result of government measures to dampen construction activity. Order intake and sales recorded substantial rises. The acquisition of the German company Ölhydraulik Altenerding made a significant contribution to this positive trend. Underpinned by a high level of capacity utilisation at the plants in Europe and the USA, the division increased both operating profit and the operating profit margin. The acquisition of Eco Sistemas in Brazil enabled the division to establish a local base with engineering, production, sales and service capabilities.

Bucher Emhart Glass

CHF million	2013	2012	Change in	
			%	% ²⁾
Order intake	354.1	338.7	4.5	2.7
Net sales	346.6	366.5	-5.4	-7.1
Order book	118.7	109.3	8.6	6.7
Operating profit (EBITDA) ¹⁾	28.5	12.4	129.8	
<i>As % of net sales</i>	<i>8.2%</i>	<i>3.4%</i>		
Operating profit (EBIT) ¹⁾	16.7	1.0	n.a.	
<i>As % of net sales</i>	<i>4.8%</i>	<i>0.3%</i>		
Number of employees at 31 December	1 864	2 027	-8.0	
Average number of employees during year	1 913	2 074	-7.8	

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

²⁾ Adjusted for currency effects

Subdued market environment The market for machinery used in the manufacture and inspection of glass containers gained momentum in the second half of the year and demand in Europe and America returned to a normal level. The Chinese market suffered a sharp drop as a result of government measures aimed at dampening economic growth. Nevertheless, the division was able to increase its order intake. Sales came in lower than the previous year, which was boosted by a major order from India. Implementation of the first measures to realign the division enabled Bucher Emhart Glass to achieve an improvement in operating profit and operating profit margin. The worldwide collaboration with Owens-Illinois overcame an important operational hurdle in September 2013 with the takeover of the spare parts business.

Bucher Specials

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

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

²⁾ Adjusted for currency effects

³⁾ Adjusted for currency and acquisition

Good market conditions Overall, the markets served by Bucher Specials developed very positively. Demand for winemaking equipment picked up in the second half of the year, particularly in France. Intense competitive pressure led to the bankruptcy of the Italian manufacturer Velo. The business with production equipment for fruit juice was brisk, underpinned by the good harvest, low inventories and attractive prices for apple juice concentrate. In equipment for dewatering sewage sludge, sales exceeded CHF 10 million for the first time. The Swiss distributorship for tractors and agricultural machinery took advantage of the investment confidence in the farming industry. In this climate, Bucher Specials achieved a substantial increase in order intake, sales and operating profit. Jetter's automation technology, acquired in November 2013, had no material impact on the business performance.

Outlook for 2014 The Group is not anticipating any fundamental change in the macroeconomic environment during the current year. Kuhn Group is forecasting slower growth in demand for agricultural machinery. On the other hand, a successful acquisition of the Brazilian company Montana should boost sales. Bucher Municipal expects the stable but low market volume to be sustained. The market environment for specialised hydraulic systems and components as well as machinery for the manufacture and inspection of glass containers is unlikely to change significantly. Measures adopted by Bucher Emhart Glass to leverage its global presence should have a positive effect on the division's operating profit. Bucher Specials expects the upward trend in its markets to continue. The acquisition of Jetter should have a positive effect on divisional sales, though no significant impact on the division's operating profit. For the current year as a whole, the Group is expecting a slight increase in sales and a moderate decrease in profitability compared with last year's record high.

Dividends In view of the very good profit for the year, the stable outlook for a continuing high level in the current business year and a consistent dividend policy, the board of directors is proposing that the annual general meeting on 10 April 2014 approve a dividend of CHF 6.50 per registered share, compared with CHF 5.00 the previous year.

Annual general meeting The Ordinance against Excessive Compensation in Listed Corporations came into force on 1 January 2014. Based on this new legislation, the board of directors is proposing to the annual general meeting on 10 April 2014 that Rolf Broglie, Anita Hauser, Ernst Bärtschi, Claude R. Cornaz, Michael Hauser and Heinrich Spoerry be re-elected as members and Valentin Vogt elected as a new member of the board, all for a term of one year. Valentin Vogt has many years' international experience in industry. Among other positions, he is chairman of the board of directors at the publicly listed company Burckhardt Compression, which he previously led for ten years as CEO. The board of directors further proposes the election of Rolf Broglie as chairman and Rolf Broglie, Claude R. Cornaz and Anita Hauser as members of the remuneration committee. Changes to the Articles of Association are also proposed.

The annual report of Bucher Industries is available for download as of today from www.bucherindustries.com, the invitation to the annual general meeting will be available from 18 March 2014. The printed version of the annual report is also available as of today.

The annual general meeting in the Mövenpick Hotel in Regensdorf, Switzerland, will begin at **3 pm** as a result of the lengthy agenda.

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Simply great machines

Bucher Industries is a global technology group with leading market positions in speciality areas of mechanical and vehicle engineering. The company's operations include specialised agricultural machinery, municipal vehicles, hydraulic components, manufacturing equipment for the glass container industry and for wine and fruit juice production, as well as automation technology. The group's shares are traded on the SIX Swiss Exchange (SIX: BUCN). For further information, please visit www.bucherindustries.com.