

Press release

Niederweningen, 15 March 2012

Bucher Industries increases profit for the year by 30%

In the 2011 financial year, Bucher Industries was able to further increase earning power, despite the strength of the Swiss franc. With strong demand and capacity utilisation at a high level, Bucher Industries increased operating profit by 26% to CHF 190 million. The operating profit margin rose from 7.4% to 8.1%. Profit for the year was CHF 127 million, 30% higher than the previous year. The board of directors is proposing a dividend of CHF 4.00 per share to the annual general meeting of 12 April 2012.

Key figures, Group

CHF million n	2011	2010	Change in		
			%	% ¹⁾	% ²⁾
Order intake	2 587.5	2 216.5	16.7	29.3	24.7
Net sales	2 336.0	2 033.7	14.9	27.2	22.0
Order book	923.0	663.0	39.2	55.0	41.6
Operating profit (EBITDA)	259.9	223.9	16.1		
<i>As % of net sales</i>	<i>11.1%</i>	<i>11.0%</i>			
Operating profit (EBIT)	190.2	151.4	25.6		
<i>As % of net sales</i>	<i>8.1%</i>	<i>7.4%</i>			
Profit for the year	127.4	97.7	30.4		
<i>As % of net sales</i>	<i>5.5%</i>	<i>4.8%</i>			
Earnings per share in CHF	12.52	9.53	31.4		
Operating free cash flow	54.8	201.9	-72.9		
Net operating assets	827.8	849.2	-2.5		
Net cash/debt	-71.5	19.0	n.a.		
Total assets	2 247.7	1 984.9	13.2		
Equity	814.4	747.7	8.9		
<i>Return on equity</i>	<i>36.2%</i>	<i>37.7%</i>			
Number of employees 31 December	10 136	7 899	28.3		9.5
Average number of employees during year	9 380	7 639	22.8		11.4

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Favourable market environment The positive market trend was sustained in the reporting year. A very lively performance in agricultural machinery and equipment for the glass container industry was especially notable. Demand for hydraulic systems developed well on the whole, despite flattening out in the second semester. The market for municipal vehicles was surprisingly stable. Winemaking equipment was the only market to register a downturn. The massive rise in the value of the Swiss franc against all the Group's main currencies led to a 12% reduction in the sales figures after translation and squeezed margins on products exported from Switzerland.

Group Bucher Industries was able to take advantage of the positive market environment. In local currencies, the Group generated organic sales growth of 22%. Acquisitions and disposals contributed a further 5% increase. With few exceptions, the production plants were operating close to full capacity, some of them beyond their limits. The number of units manufactured and supplied was correspondingly high, in some cases on a par with the record year of 2008. Despite the disadvantages of the strong Swiss franc, operating profit rose by 26% and the operating margin increased from 7.4% to 8.1%. Lower net gains on short-term investments resulted in a decline in net financial items. Taxes remained practically unchanged on the previous year's level, despite the higher result. The 30% improvement in Group profit for the year to CHF 127 million reflected a solid performance in the 2011 financial year.

Sound financial position Following the crisis years of 2009 and 2010, the Group invested CHF 178 million in internal and external growth in the reporting year. The main priorities were targeted expansion of the production infrastructure, modernisation and automation of the manufacturing equipment and selective acquisitions. Despite these long-term investments, vigorous sales growth and the share buy-back programme, the Group ended the year with high cash and liquid assets of CHF 467 million, with lower net debt of CHF 72 million and an equity ratio of 36.2%.

Kuhn Group

CHF million	2011	2010	Change in		
			%	% ¹⁾	% ²⁾
Order intake	1 166.3	976.1	19.5	35.0	28.1
Net sales	1 026.4	851.2	20.6	36.3	28.8
Order book	506.0	356.8	41.8	60.3	46.5
Operating profit (EBITDA)	148.1	113.1	30.9		
<i>As % of net sales</i>	<i>14.4%</i>	<i>13.3%</i>			
Operating profit (EBIT)	115.7	78.2	48.0		
<i>As % of net sales</i>	<i>11.3%</i>	<i>9.2%</i>			
Number of employees at 31 December	4 230	3 593	17.7		9.7
Average number of employees during year	4 109	3 401	20.8		15.5

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Good conditions for agricultural machinery In the reporting year, Kuhn Group profited from rising demand in the principal markets of Western, Central and Eastern Europe, North America and Brazil. In local currencies, sales and order intake were significantly higher than the previous year. The acquisition of the Krause Corporation in Kansas, USA, also contributed to the good performance with CHF 55 million. Kuhn Krause, which manufactures tillage equipment and grain drills, provides the division with an entry into the North American grain farming market. Kuhn Group was able to cope with the strong rise in volumes thanks to the great flexibility of its plants, generating a rise in operating profit of almost 50%. The operating profit margin showed a marked increase from 9.2% to 11.3%.

Bucher Municipal

CHF million	2011	2010	Change in		
			%	% ¹⁾	% ²⁾
Order intake	449.3	380.6	18.1	27.4	27.1
Net sales	379.9	373.0	1.9	9.9	9.5
Order book	153.2	88.6	72.9	86.7	85.2
Operating profit (EBITDA)	34.5	35.2	-2.0		
<i>As % of net sales</i>	<i>9.1%</i>	<i>9.4%</i>			
Operating profit (EBIT)	26.6	27.3	-2.6		
<i>As % of net sales</i>	<i>7.0%</i>	<i>7.3%</i>			
Number of employees at 31 December	1 530	1 334	14.7		13.5
Average number of employees during year	1 391	1 346	3.3		3.0

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Stable market for municipal vehicles The market for municipal vehicles in Western Europe remained surprisingly stable, though at a low level and with high price and competitive pressure. The market for winter maintenance vehicles picked up slightly. Demand was strong in the markets for refuse collection vehicles in Australia and for specialist truck-mounted sweepers. An outstanding success story was the award of a major order from the city of Moscow. Worth CHF 62 million in all, about 20% of the revenue was recognised in the reporting year. The division, which operates one of its main plants in Switzerland, was hard hit by the strength of the Swiss franc. The swift introduction of cost reduction measures, an increase in working hours at the Swiss plant and new product launches helped maintain profitability. Nevertheless, operating profit remained marginally below the previous year due to negative currency effects.

Bucher Hydraulics

CHF million	2011	2010	Change in	
			%	% ¹⁾
Order intake	406.3	386.7	5.1	15.2
Net sales	399.2	371.4	7.5	17.7
Order book	68.9	62.9	9.5	21.0
Operating profit (EBITDA)	52.1	55.7	-6.5	
<i>As % of net sales</i>	<i>13.1%</i>	<i>15.0%</i>		
Operating profit (EBIT)	34.8	36.9	-5.7	
<i>As % of net sales</i>	<i>8.7%</i>	<i>9.9%</i>		
Number of employees at 31 December	1 712	1 544	10.9	
Average number of employees during year	1 661	1 451	14.5	

¹⁾ Adjusted for currency effects

Vigorous performance In the principal markets for hydraulic systems, particularly the construction equipment and agricultural machinery segments, the demand trend was dynamic, though it flattened out in the third quarter at a high single-digit growth rate. The two main plants in Switzerland, with a very high export ratio of around 90%, were particularly hard hit by the strength of the Swiss franc. In this challenging environment, the division held up well, increasing both sales and order intake, with the rise in terms of local currencies quite marked. The start-up of serial production for a number of major customers in the fourth quarter contributed to the good business performance. Despite the high purchasing volume in the euro and US-dollar areas and a temporary increase in working hours at the Swiss plants,

it was not possible to compensate entirely for the negative currency effects. As a result, operating profit and the operating profit margin were below the high level of the previous year.

Emhart Glass

CHF million	2011	2010	Change in		
			%	% ¹⁾	% ²⁾
Order intake	357.7	285.2	25.4	40.2	32.0
Net sales	345.2	259.3	33.1	48.8	37.4
Order book	145.0	109.7	32.2	47.8	18.5
Operating profit (EBITDA) before restructuring	24.4	16.1	51.6		
Operating profit (EBITDA)	24.4	11.1	119.8		
<i>As % of net sales</i>	<i>7.1%</i>	<i>4.3%</i>			
Operating profit (EBIT)	15.4	3.0	413.3		
<i>As % of net sales</i>	<i>4.5%</i>	<i>1.2%</i>			
Number of employees at 31 December	2 134	874	144.2		9.2
Average number of employees during year	1 647	869	89.5		11.0

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Dynamic development After overcoming a ten-year low at the end of 2010, the glass container industry experienced a genuine worldwide boom in demand for systems and machinery for the manufacture of glass containers in the reporting year. The first signs of normalisation only appeared towards the end of the year. Emhart Glass took advantage of this favourable market environment, recording a one-third increase in sales. Production capacity was utilised at a very high level. The acquisition of a majority holding of 63% in Shandong Sanjin Glass Machinery in China contributed to the growth with CHF 27 million. With two production plants in Sweden which bear a significant part of the division's personnel costs, Emhart Glass was particularly vulnerable to the strength of the Swedish krona against the euro. The strong competitive pressure made it impossible to counteract the currency effects by adjusting prices. To address this situation, purchasing in the euro zone and Asia was intensified and expansion of the plant in Malaysia, which operates according to high European quality standards, was stepped up. Thanks to these measures, Emhart Glass almost doubled operating profit and strongly increased profitability, excluding restructuring costs of CHF 5 million the previous year.

Bucher Specials

CHF million	2011	2010	Change in		
			%	% ¹⁾	% ²⁾
Order intake	207.9	187.9	10.6	15.3	10.3
Net sales	200.6	187.0	7.3	12.4	6.4
Order book	49.9	45.0	10.9	15.0	2.3
Operating profit (EBITDA)	15.0	11.0	36.4		
<i>As % of net sales</i>	<i>7.5%</i>	<i>5.9%</i>			
Operating profit (EBIT)	12.3	8.6	43.0		
<i>As % of net sales</i>	<i>6.1%</i>	<i>4.6%</i>			
Number of employees at 31 December	511	535	-4.5		n.a.
Average number of employees during year	553	553	-		-1.8

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Differing trends The development of the three independent business consolidated under Bucher Specials presented a varied picture in the reporting year. Demand for winemaking equipment was affected by a narrowing of the investment window due to the early grape harvest in the main markets of France and Italy. The suspension of subsidies in France further dampened demand. By contrast, the business with equipment for the production of fruit juice and instant products benefitted from higher prices for fruit juice concentrate, as well as some backlog in demand from previous years. The Swiss distributorship for tractors and agricultural machinery remained stable at a high level. Despite the difficult conditions in winemaking equipment, Bucher Specials achieved a substantial increase in sales, order intake and operating profit year on year.

Outlook for 2012 The outlook for the current business year is surrounded by uncertainties. The massive indebtedness of the European and US economies and the instability of the euro zone urge us to adopt a cautious approach. On the other hand, we anticipate positive trends in our markets. We expect Kuhn Group to turn in a good performance, as the earnings situation for farmers is good and the demand for agricultural products remains high. With the prospect of a stable market situation and further benefits from the progress of the major order for the city of Moscow, Bucher Municipal should increase sales and operating profit. Bucher Hydraulics is counting on a positive trend in the agricultural machinery, materials handling and wind power segments and expects to improve sales and operating profit. Emhart Glass

anticipates continued growth in the Asian markets and stabilisation of demand at a high level in the other regions. The division therefore expects a further rise in sales and improved profitability. Bucher Specials is reckoning on growth in sales and operating profit, underpinned by the expected recovery in the winemaking equipment segment and stable conditions in the other two businesses. Overall, the Group is cautiously optimistic about the prospects for the 2012 business year and expects an improvement in sales, operating profit and profit for the year.

Share buy-back On 3 February 2012, Bucher Industries completed its share buy-back programme, which was launched at the end of May 2011. Altogether, 315 900 registered shares, corresponding to 2.99% of the company's equity, were repurchased for a total consideration of CHF 50.2 million. The average price per share was CHF 159.00.

Higher dividends In view of the healthy profit in 2011 and the cautiously optimistic assessment of the business outlook for the current year, the board of directors is proposing to the annual general meeting of 12 April 2012 that the dividend be increased from CHF 3.00 to CHF 4.00 per share.

Annual general meeting The annual general meeting of Bucher Industries AG will be held on 12 April 2012 at 4 pm in Hotel Mövenpick in Regensdorf. The board of directors is proposing to the annual general meeting that Claude R. Cornaz and Heinrich Spoerry be re-elected to the board for a further three-year term of office. The board is also proposing that the 315 900 shares in Bucher Industries AG, representing 2.99% of the company's share capital, that were repurchased as part of the buy-back programme, should be cancelled by means of capital reduction.

The invitation to the annual general meeting will be sent to shareholders on 19 March 2012. Shareholders with voting rights listed in the share register on 5 April 2012 are entitled to take part in the annual general meeting. All shareholders listed in the share register on 13 April 2012 are entitled to dividends. The dividends will be paid out as from 19 April 2012.

The annual report of Bucher Industries is available for download as of today from www.bucherind.com, the invitation to the annual general meeting will be available from 19 March 2012. The printed version of the annual report will be available from 19 March 2012.

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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 production of wine, fruit juice and instant products. The group's shares are traded on the SIX Swiss Exchange (SIX: BUCN). Please see www.bucherind.com for further information.