

Press release

Niederweningen, 27 October 2015

Strong franc affects sales

In the first three-quarters of 2015, sales and order intake at Bucher Industries fell by 4% in local currencies. In terms of Swiss francs, sales decreased year on year by 11%. For the 2015 business year as a whole, the Group is expecting sales and operating profit in terms of local currencies to decrease.

Group

CHF million January – September	2015	2014	Change in		
			%	% ¹⁾	% ²⁾
Order intake	1 782.6	2 002.2	-11.0	-3.6	-4.3
Net sales	1 890.7	2 115.9	-10.6	-3.8	-4.4
Order book	627.7	736.5	-14.8	-7.5	-7.5
Number of employees at 30 September	11 222	11 767	-4.6		-4.6

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

In the first nine months of the current year, the Group's principal markets showed widely differing trends. Demand remained subdued in Europe, while the positive market sentiment in North America, particularly in hydraulic systems, was sustained. In Asia, demand was unchanged; in Latin America, the effects of the faltering economic situation were clearly apparent in all sectors except glass-forming machinery. While demand for agricultural machinery weakened further, the business with municipal vehicles remained stable at a low level and the slowdown in sales was kept within limits thanks to a follow-up order from the city of Moscow. The stable performance of hydraulic systems was gratifying. The business with machinery for the glass container industry showed a pleasing development. Bucher Specials was hard hit by a dearth of projects, especially in the fruit juice processing and beer filtration systems segments. The strength of the Swiss franc had a negative impact on sales consolidation, amounting to around 7%.

Kuhn Group

CHF million January – September	2015	2014	Change in		
			%	% ¹⁾	% ²⁾
Order intake	705.7	870.1	-18.9	-10.6	-12.2
Net sales	845.8	986.7	-14.3	-6.3	-7.6
Order book	280.5	376.3	-25.5	-18.7	-18.7
Number of employees at 30 September	4 876	5 290	-7.8		-7.8

¹⁾Adjusted for currency effects

²⁾Adjusted for currency and acquisition effects

Demand for agricultural machinery down The decline in demand for agricultural machinery continued in the third quarter of 2015. Kuhn Group succeeded in closing deals better than the market as a whole. The drop in demand affecting certain product families in the arable farming sector was as much as 40%. The main reason was the worldwide downturn in crop prices and their highly volatile nature. Demand in the North American market for machinery for the dairy and meat sectors was good, but in Brazil the weak economic situation had a severe impact in addition to the market trends. More rigorous conditions for financing in some regions further exacerbated the situation. Thanks to a strong operational performance, Kuhn Group was largely able to maintain dealer inventories at a normal level. The division proved once more that it can adjust quickly in response to volatile demand trends. Implementation of appropriate measures has been in progress for some time.

Bucher Municipal

CHF million January – September	2015	2014	Change in	
			%	% ¹⁾
Order intake	281.0	311.3	-9.7	-3.0
Net sales	269.3	296.0	-9.0	-2.9
Order book	106.4	118.9	-10.5	-3.3
Number of employees at 30 September	1 588	1 601	-0.8	

¹⁾ Adjusted for currency effects

Unchanged market environment The market for municipal vehicles remained stable at a low level in the reporting period. At Bucher Municipal, sales and order intake in local currencies were slightly down on the same period a year ago. However, if the major orders from the city of Moscow are excluded, the division succeeded in maintaining the level achieved at the same stage of 2014. Demand for sweepers picked up slightly in Great Britain, Southern Europe and the USA. The weak state of the economy in Australia resulted in falling demand for refuse collection vehicles. Michael Häusermann, a member of group management and head of Bucher Municipal, left the Group in August 2015. Coen van Rosmalen, previously managing director of Johnston Sweepers Ltd, UK, took over as head of division on an interim basis.

Bucher Hydraulics

CHF million January – September	2015	2014	Change in	
			%	% ¹⁾
Order intake	351.1	370.2	-5.2	-0.9
Net sales	353.2	364.9	-3.2	1.1
Order book	72.8	74.2	-1.9	1.8
Number of employees at 30 September	2 036	2 080	-2.1	

¹⁾ Adjusted for currency effects

Stable demand Overall, the division's business performance in terms of local currencies remained astonishingly stable. The materials handling and industrial hydraulics segments grew, while agricultural machinery showed a marked decline, despite gaining new customers. Demand in Europe was stable and in North America the division took advantage of the

dynamic market trend. China and Brazil, by contrast, were affected by a sharp downturn, which the division was unable to escape. In September, the division aligned its visual identity worldwide with that of the Group.

Bucher Emhart Glass

CHF million January – September	2015	2014	Change in	
			%	% ¹⁾
Order intake	300.1	265.3	13.1	25.8
Net sales	245.7	263.6	-6.8	3.1
Order book	140.7	119.1	18.1	32.0
Number of employees at 30 September	1 827	1 891	-3.4	

¹⁾ Adjusted for currency effects

Good performance Demand for machinery and spare parts for the glass-forming industry showed a welcome recovery in the third quarter of 2015. The division had winning bids for several projects, reflected in strong growth of the order intake. Sales in terms of local currencies also showed a modest increase. Rising demand worldwide, with the exception of Asia, as well as the cooperation with O-I contributed to the sales growth.

Bucher Specials

CHF million January – September	2015	2014	Change in	
			%	% ¹⁾
Order intake	175.0	219.1	-20.1	-15.6
Net sales	209.4	238.9	-12.3	-7.8
Order book	35.7	58.2	-38.7	-35.8
Number of employees at 30 September	835	842	-0.8	

¹⁾ Adjusted for currency effects

Sluggish performance Sales and order intake clearly showed a continued downward trend at Bucher Specials. Demand for winemaking equipment was unchanged. The project business with beverage and environmental technology was particularly badly affected by delays in project scheduling and strong competitive pressure, with the result that it had to withstand a significant decline. Cost-saving measures were introduced. The Swiss

distributorship for agricultural machinery developed well and the business with automation technology performed in line with expectations.

Outlook for 2015 For the business year as a whole, the Group is expecting sales and operating profit in terms of local currencies to decrease. The operating profit margin is likely to remain below the level seen during the first half of 2015 due to seasonal, economic and currency factors.

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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.