

Press release

Niederweningen, 30 July 2014

Strong first half

Bucher Industries surpassed the high levels attained in the same period of last year. Order intake rose strongly, up by 7.8% to CHF 1 322 million, while sales increased by 4.2% to CHF 1 469 million. Operating profit and profit for the period showed a marginal improvement on the high level reached in the same period of 2013. For the current year, the Group anticipates sales growth and a moderate fall in profitability from the record high in the previous year.

Group

CHF million			Change in		
January - June	2014	2013	%	% ¹⁾	% ²⁾
Order intake	1 322.4	1 226.7	7.8	10.9	6.1
Net sales	1 469.0	1 409.9	4.2	6.7	4.3
Order book	701.7	639.8	9.7	12.9	6.6
Operating profit before depreciation and amortisation (EBITDA)	186.5	181.8	2.6		
<i>As % of net sales</i>	<i>12.7%</i>	<i>12.9%</i>			
Operating profit (EBIT)	141.5	140.9	0.4		
<i>As % of net sales</i>	<i>9.6%</i>	<i>10.0%</i>			
Profit/(loss) for the period	96.5	95.1	1.5		
<i>As % of net sales</i>	<i>6.6%</i>	<i>6.7%</i>			
Earnings per share in CHF	9.60	9.40	2.1		
Operating free cash flow	- 87.7	- 81.1	- 8.1		
Net cash/debt	- 221.7	- 165.4	- 34.0		
Total assets	2 561.4	2 394.6	7.0		
Equity	1 100.3	978.3	12.5		
<i>Equity ratio</i>	<i>43.0%</i>	<i>40.9%</i>			
<i>Return on equity (ROE)</i>	<i>19.0%</i>	<i>17.6%</i>			
Net operating assets (NOA), average	1 141.4	1 015.8	12.4		
<i>Return on net operating assets (RONOA) after tax</i>	<i>17.4%</i>	<i>19.8%</i>			
Number of employees at 30 June	11 890	10 720	10.9		3.3

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency, acquisition and disposal effects

Stable market environment Developments in the markets served by Bucher Industries showed regional variations in the reporting period. Whereas Europe saw a slight downward tendency, the positive trend in North and South America was sustained, despite the severe winter. By contrast, the Chinese market remained stable at a low level. Currency effects had a slightly negative impact on the consolidated financial statements.

Pleasing business performance Bucher Industries achieved a marked increase in order intake, which was attributable to solid demand in the important European and American markets. The increase was mainly due to organic growth. With the exception of Kuhn Group, all divisions contributed to this pleasing development. Group sales also exceeded the high level achieved in the same period of 2013. Thanks to a good operating performance in all divisions, the Group marginally improved on the high level of operating profit and profit for the period attained the previous year. The integration of the acquisitions, Jetter and Montana, is progressing well. The new companies made a positive contribution to the business performance.

Robust financial situation The seasonal increase in net working capital, the acquisitions and the payout of a higher dividend resulted in a higher negative free cash flow in the first half of 2014. As a consequence, net debt as of 30 June 2014 was higher; it will fall again significantly towards the end of 2014. The return on net operating assets (RONOA) after tax was 17%, again significantly higher than the cost of capital and well above the long-range target of 16%. With a return on equity of 19%, an equity ratio of 43% and high liquid assets, Bucher Industries is still very robust and open to further growth.

Kuhn Group

CHF million January - June	2014	2013	Change in		
			%	% ¹⁾	% ²⁾
Order intake	513.5	517.0	- 0.7	4.1	- 4.3
Net sales	725.9	743.9	- 2.4	0.6	- 2.3
Order book	279.2	277.8	0.5	6.0	- 6.4
Operating profit (EBITDA)	118.3	122.0	- 3.0		
<i>As % of net sales</i>	<i>16.3%</i>	<i>16.4%</i>			
Operating profit (EBIT)	97.6	102.8	- 5.1		
<i>As % of net sales</i>	<i>13.4%</i>	<i>13.8%</i>			
Number of employees at 30 June	5 435	4 756	14.3		3.0

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Declining market As expected, the market for agricultural machinery softened overall in the first half of 2014. The important Western European market declined overall. In North and South America the positive impetus was sustained. Milk and meat producers continued to benefit from attractive prices for their produce, though with regional variations. The decline in cereal prices weakened demand for tillage equipment. In this environment, Kuhn Group reported a minimal fall in order intake and a slight downturn in sales. Thanks to the well-trying principle of flexible production management, operating profit margin was practically on a par with the same period of 2013. The acquisition of Montana Indústria de Máquinas S.A., Brazil, was completed at the end of March 2014.

Bucher Municipal

CHF million January - June	2014	2013	Change in		
			%	% ¹⁾	% ²⁾
Order intake	223.4	183.6	21.7	24.3	25.4
Net sales	189.7	167.6	13.2	16.4	18.1
Order book	136.5	111.0	23.0	24.7	24.7
Operating profit (EBITDA)	13.8	15.6	- 11.5		
<i>As % of net sales</i>	<i>7.3%</i>	<i>9.3%</i>			
Operating profit (EBIT)	10.0	12.1	- 17.4		
<i>As % of net sales</i>	<i>5.3%</i>	<i>7.2%</i>			
Number of employees at 30 June	1 628	1 477	10.2		10.2

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and disposal effects

Strong order intake The market for municipal vehicles in Europe remained at a low, though stable level. The major new order from the city of Moscow, received in March 2014 and worth CHF 53 million, gave a gratifying boost to Bucher Municipal's business performance. The division posted a marked increase in both order intake and sales. CHF 21 million from the major order already contributed to sales in the first half. Thanks to the well-filled order book at the beginning of 2014, the division's plants in Europe were operating at full capacity. The operating profit was CHF 2 million lower than the figure a year ago, though this was influenced by a one-off disposal gain of CHF 4 million.

Bucher Hydraulics

CHF million January - June	2014	2013	Change in		
			%	% ¹⁾	% ²⁾
Order intake	256.2	232.7	10.1	12.3	10.4
Net sales	245.8	234.7	4.7	6.8	5.1
Order book	79.1	65.7	20.4	23.2	20.7
Operating profit (EBITDA)	37.6	33.7	11.6		
<i>As % of net sales</i>	<i>15.3%</i>	<i>14.3%</i>			
Operating profit (EBIT)	27.7	24.5	13.1		
<i>As % of net sales</i>	<i>11.3%</i>	<i>10.4%</i>			
Number of employees at 30 June	2 030	1 905	6.6		3.4

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Upturn in demand In the first half of 2014, demand trends in Bucher Hydraulics' markets showed a varied picture. The market for hydraulic systems and components picked up in Europe. In North America the growth trend continued, while demand in China stagnated. Bucher Hydraulics took advantage of the positive impetus and posted a marked increase in order intake. There was a particular upturn in demand for hydraulic systems in the construction machinery and industrial hydraulics segments. In the mini power-packs segment, the division gained a new globally operating customer with headquarters in North America. Thanks to solid capacity utilisation at the production plants and strict cost control measures, the division was able to improve profitability. The high level of the order book in mid-year will ensure good capacity utilisation at the beginning of the second half.

Bucher Emhart Glass

CHF million January - June	2014	2013	Change in	
			%	% ¹⁾
Order intake	188.0	165.8	13.4	14.6
Net sales	188.0	167.0	12.6	13.8
Order book	117.5	110.0	6.8	7.9
Operating profit (EBITDA)	13.4	11.2	19.6	
<i>As % of net sales</i>	<i>7.1%</i>	<i>6.7%</i>		
Operating profit (EBIT)	7.5	5.0	50.0	
<i>As % of net sales</i>	<i>4.0%</i>	<i>3.0%</i>		
Number of employees at 30 June	1 857	1 894	- 2.0	

¹⁾ Adjusted for currency effects

Growth momentum The market for glass forming and inspection machinery remained at a low level overall. There were no signs of recovery in Asia, while the market in Europe stabilised and demand in America improved. Thanks to its strong market position in technology-oriented Europe, Bucher Emhart Glass succeeded in generating a substantial year-on-year increase in order intake and sales. The spare parts and service business also developed well because glass container manufacturers invested in the maintenance of existing plants. The division achieved a significant improvement in profitability. This was due to the good level of capacity utilisation as well as the effect of the strategic realignment measures. Personnel capacity at Bucher Emhart Glass was under great strain owing to the parallel implementation of two major projects: the realignment and the development of cooperation with Owens-Illinois. As a result, some parts of the realignment project were up to a year behind the original timetable.

Bucher Specials

CHF million January - June	2014	2013	Change in		
			%	% ¹⁾	% ²⁾
Order intake	161.1	127.6	26.3	27.0	5.5
Net sales	142.8	107.5	32.8	33.5	10.5
Order book	96.4	75.3	28.0	28.9	17.4
Operating profit (EBITDA)	14.4	7.7	87.0		
<i>As % of net sales</i>	<i>10.1%</i>	<i>7.2%</i>			
Operating profit (EBIT)	10.7	5.9	81.4		
<i>As % of net sales</i>	<i>7.5%</i>	<i>5.5%</i>			
Number of employees at 30 June	879	623	41.1		5.8

¹⁾ Adjusted for currency effects

²⁾ Adjusted for currency and acquisition effects

Significant recovery in main markets In the first half of 2014, the principal markets served by Bucher Specials were characterised by positive momentum. The market for winemaking equipment staged a notable recovery overall, particularly in the northern hemisphere. Demand for fruit juice processing equipment was brisk, and some substantial projects in the area of beer filtration got underway. The Swiss market for agricultural machinery declined in comparison with the very high volume recorded in the first half of 2013. This trend also affected the Swiss distributorship for tractors and agricultural machinery, Bucher Landtechnik. Demand for Jetter automation solutions developed satisfactorily and the first measures to improve profitability were implemented. Overall, Bucher Specials generated pleasing sales growth, with seasonally variable profitability.

As a result of the tender offer to all shareholders of Jetter AG, the Group held 84.03% of the Jetter shares as of 30 June 2014.

Outlook for 2014 The Group is not anticipating any fundamental change in the macroeconomic environment. However, depending on developments in the Ukraine and any enlargement of the crisis, the situation could change rapidly. Kuhn Group expects the slight decline in demand for agricultural machinery to continue in the second half of the year. However, the acquisition of the Brazilian company Montana will have a positive impact on sales. Kuhn Group therefore expects a modest year-on-year increase in sales and a moderate decline in the high level of profitability. Bucher Municipal is reckoning with a substantial increase in sales and a modest improvement in operating profit for the 2014 financial year, thanks to the major order from the city of Moscow. Bucher Hydraulics had a well-filled order book in mid-year and expects the positive business trend to continue in the second half. The division expects a slight increase in sales and a modest improvement in operating profit. Bucher Emhart Glass should continue to benefit from the lively market environment in the modernisation segment and anticipates an increase in sales and a further improvement in operating profit. Bucher Specials expects the buoyant mood in its markets to continue, while the acquisition of Jetter should have a positive effect on sales, but little impact on the division's operating profit. The division is looking forward to a strong increase in sales and operating profit. For the current year, the Group anticipates sales growth and a moderate fall in profitability from the record high in the previous year.

Contact

Philip Mosimann, CEO

Roger Baillod, CFO

Phone: +41 43 815 80 88

E-mail: media@bucherindustries.com

www.bucherindustries.com

Simply great machines

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