

Press release

Niederweningen, 6 May 2011

Emhart Glass and Sanjin form joint venture in China

Emhart Glass, a division of Bucher Industries, agreed to form a joint venture in China through the acquisition of a 63% equity interest in Shandong Sanjin Glass Machinery Co., Ltd. Sanjin manufactures machinery and equipment for the Chinese glass container industry and is the market leader with glass forming machinery in China. The price for the interest is approximately RMB 400 million and includes a capital increase of RMB 150 million. The deal is still subject to approval from the Chinese authorities.

Shandong Sanjin Glass Machinery Co., Ltd based in Zibo in Shandong Province, China, was transformed from a state-owned enterprise to a privately held company in 2004 and generated sales of RMB 371 million in 2010 with about 1 200 employees. The fast-growing company is the market leader in glass forming machinery in China. The interest will be acquired by purchasing 52% of the equity interest and subscribing to a capital increase of RMB 150 million, therefore resulting in Emhart Glass holding 63% of the interest of Sanjin.

This equity interest is an important strategic move for both partners, which fully complement each other, both regionally and in terms of products. While Sanjin manufactures low-cost standard glass forming machines and annealing lehrs tailored to the Chinese market today, Emhart Glass exports to China technologically advanced, western glass forming and inspection machinery. Apart from their glass forming machines offered in different price segments, the annealing lehrs made by Sanjin and inspection machines made by Emhart Glass are complementary product lines.

Today, the lion's share of the Chinese market for glass container manufacturing machinery is covered by local manufacturers who offer low-cost standard machinery with basic technology and consequently lower performance. In this market segment, locally made container inspection machinery are not yet widely used and cover only basic inspection needs. To a great extent glass containers are usually inspected visually only. With China's strong economic growth, combined with international breweries producing beer locally, demand for glass containers is rising sharply. Furthermore, global manufacturers of glass containers are increasingly investing in China. As a result, the quality requirements for glass containers are rising as well. Sanjin and Emhart Glass are seeking to leverage both companies' strengths, the leading technology knowhow of Emhart Glass and the low-cost production facilities and knowhow of Sanjin: This will enable the joint venture to respond to the request for increasing performance and quality of glass container production in China. This includes glass container forming machines as well as glass container inspection machines, mainly targeted for the Chinese market.

The joint venture will operate independently of Emhart Glass under the Sanjin brand name. Emhart Glass will provide the chairman of the board and majority of directors. The existing operational management will retain its previous functions, with the addition of experts from Emhart Glass. All Sanjin employees will also continue to work in the joint venture.

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. It has manufacturing facilities located in Sweden, the USA and Malaysia. Emhart Glass is headquartered in Switzerland and has a research and development centre in the USA. Employing 870 people, Emhart Glass generated sales of CHF 260 million in 2010.

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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 currently include specialised agricultural machinery, municipal vehicles, hydraulic components, manufacturing equipment for the glass container industry, and wine and fruit juice production equipment. Bucher Industries' shares are traded on the SIX Swiss Exchange (SIX: BUCN). More information can be found at www.bucherind.com.