

## Press release

Niederweningen, 11 August 2009

### **Bucher Industries' sales down by 19%**

**All market segments served by Bucher Industries were affected by the economic downturn during the first half of 2009. Destocking by customers, restrictive lending practices and adverse currency effects additionally exacerbated the slowdown. Sales slipped by 19% or currency-adjusted 13% to CHF 1 179 million and order intake by 41% to CHF 819 million. Operating profit was down by CHF 73 million from the high year-ago figure at CHF 59 million, while group profit for the period decreased by 53% to CHF 42 million. Excluding acquisitions, the Group reduced manpower by 13% in the first six months of 2009.**

In the first half of 2009, the global economic crisis reached all market segments served by Bucher Industries, severely affecting even the agricultural machinery sector that had remained robust until the end of 2008. The regions of Eastern Europe and Russia showed an almost total collapse, and the main markets in Western Europe and North America did not escape the downturn either. Excessive inventories held by customers and the distribution organisations heightened the competitive pressure and squeeze on margins, while substantial currency movements were unfavourable to the Swiss franc.

**Group** All the divisions and regions were hit by the economic downturn to varying degrees. Bucher Industries posted an 18.7% or currency-adjusted 12.7% decline in sales to CHF 1 178.9 million for the first half of 2009. Acquisitions had an impact of 7.7%. Order intake was additionally adversely affected by customers cutting back their high inventories and dropped by 40.8% to CHF 819.0 million. Excluding the impact of acquisitions and currency fluctuations, the Group's order book shrank by 35.2% to CHF 509.1 million, with the divisions recording decreases of 26% to 51%. Operating profit was down by 55.5% to CHF 58.7 million

and group profit by 53.2% to CHF 41.8 million from the high year-ago levels. Placing emphasis on ensuring liquidity, the Group not only reduced capacities but also cut capital expenditure by CHF 38.0 million to CHF 27.1 million. Despite the recession, expenditure on research and development increased by 6.3% to CHF 38.8 million. The Group's funding is assured by long-term bank loans and committed credit facilities of about CHF 700 million. The equity ratio was 39.8%.

**Kuhn Group** During the first half of the year, farmers had to contend with both the credit crunch and plummeting milk prices. Demand in Eastern Europe and the CIS came to a virtual halt, while that in the USA slumped drastically for hay harvesting and forage machinery. The dealers' high inventories led to adjustments in production planning. The division generated CHF 600.8 million in sales, down 1.1% but up 6.2% in local currencies. Excluding acquisition and currency effects, sales dropped by 11.6%. Order intake declined by 43.5% to CHF 276.7 million, and operating profit fell by 37.4% from the high year-ago level to CHF 41.3 million. Excluding the baler acquisition, the division has reduced manpower by 12% since the beginning of the year.

**Bucher Municipal** Demand for municipal vehicles softened distinctly, with the East European and Russian markets being worst affected. So far, government economic stimulus programmes have not had an impact on the local authorities' practices in requesting tenders and awarding contracts. As a result of the weaker market environment, sales decreased by 23.5% or currency-adjusted 15.0% to CHF 215.5 million. Order intake amounted to CHF 211.2 million, 25.1% below the same period last year. Operating profit fell by 34.8% to CHF 10.5 million. Lower tax revenues could weaken demand further in 2010. Bucher Municipal has reduced manpower by more than 8% since the beginning of the year.

**Bucher Process** The division generated CHF 45.5 million in sales of wine and fruit juice production equipment, a decrease of 46.7% or currency-adjusted 43.7%. Order intake dropped by 34.7% to CHF 61.7 million. The EU subsidies of EUR 600 million for wine production, announced at the end of 2008, were only released in June 2009 and had a negative impact on demand until then. Spurred by these subsidies triggering total investments

of EUR 1.5 billion in the period from 2010 to 2013, this market is expected to recover strongly starting in 2010. Capital spending on fruit juice processing equipment was curbed by high inventories and low prices of apple juice concentrate. Follow-up orders for major projects were not forthcoming. The division posted an operating loss of CHF 3.7 million, compared to a profit of CHF 6.4 million in the year-ago period. The transfer of production from two minor plants in Italy and France to the main plant in Chalonnnes will reduce manpower by 5% in the second half of the year.

**Bucher Hydraulics** As a supplier of custom hydraulic system solutions, the division was particularly exposed to the downturn in economic activity. The segment worst affected was construction equipment, while agricultural machinery was least affected. The division generated CHF 170.9 million in sales, down 36.9% or currency-adjusted 35.3%. Acquisitions had an impact of 1.3%. With order intake dropping by 49.6% to CHF 134.4 million, the division still outperformed the industry. High inventories across the whole supply chain exacerbated the decline, and the destocking is only expected to come to an end in the second half of the year. Operating profit fell by 72.9% to CHF 10.4 million. The division has reduced manpower by more than 20% since the beginning of the year.

**Emhart Glass** The division's performance reflected the considerable restraint in capital spending on new glass container forming machinery that caused some orders to be deferred, scaled back or cancelled. Sales amounted to CHF 147.9 million, down 28.3% or currency-adjusted 23.2% on the record high level a year ago. Order intake fell by 46.0% to CHF 135.0 million, and operating profit amounted to CHF 5.6 million compared to CHF 16.1 million in the same period last year. Since the beginning of the year, the division has reduced its manufacturing capacities in Sweden and the USA, cutting manpower by 12%.

**Outlook for 2009** The forecasts for the current year remain extremely uncertain. The decline in demand in the principal markets served by Bucher Industries seems to have stabilised at a very low level. Capacities and costs will continue to be reduced accordingly in the second half of the year. Any impairment charges on intangible assets can only be finally assessed at the end of the year. They will depend on the medium-term outlook, which will be

influenced in particular by a recovery in milk prices, an end to the destocking or relaxed lending practices. For the full year, Kuhn Group expects lower sales and considerably reduced profitability. Bucher Municipal anticipates considerably lower sales and also less profitability. Bucher Process is planning on considerably lower sales and an operating profit, despite the seasonal mid-year loss. Not expecting a trend reversal this year, Bucher Hydraulics anticipates sales and operating profit at a considerably lower level. Emhart Glass predicts considerably lower sales and reduced profitability. As a result, the Group expects sales, operating profit and net profit for 2009 to be significantly down on last year.

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**Simply great machines**

In 2007, Bucher Industries celebrated its 200th anniversary commemorating its successful evolution from a blacksmith's shop to 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, wine and fruit juice production equipment, hydraulic components, and manufacturing equipment for the glass container industry. Bucher Industries' shares are traded on the SIX Swiss Exchange (SIX: BUCN). More information can be found at [www.bucherind.com](http://www.bucherind.com).

**Group key figures**

**Income statement**

CHF million

	<b>January- June 2009</b>	January-June 2008		% change	
				Adjusted for currencies	Adjusted for currencies and acquisitions
Order intake	<b>819.0</b>	<b>1 382.8</b>	-40.8	-35.8	-41.3
Net sales	<b>1 178.9</b>	<b>1 449.5</b>	-18.7	-12.7	-20.4
Order book	<b>492.5</b>	<b>785.2</b>	-37.3	-32.8	-35.2
Operating profit before depreciation and amortisation (EBITDA)	<b>97.2</b>	<b>163.0</b>	-40.4		
<i>As % of net sales</i>	<i>8.2%</i>	<i>11.2%</i>			
Operating profit (EBIT)	<b>58.7</b>	<b>132.0</b>	-55.5		
<i>As % of net sales</i>	<i>5.0%</i>	<i>9.1%</i>			
Profit for the period	<b>41.8</b>	<b>89.3</b>	-53.2		
<i>As % of net sales</i>	<i>3.5%</i>	<i>6.2%</i>			
Earnings per share in CHF	<b>4.20</b>	<b>8.97</b>	-53.2		
Number of employees at 30 June <sup>1)</sup>	<b>7 646</b>	<b>8 254</b>	-7.4		
Average number of employees <sup>2)</sup>	<b>8 113</b>	<b>8 059</b>	0.7		

<sup>1)</sup> Impact of acquisitions: 498 full-time equivalents (6.0%)

<sup>2)</sup> Impact of acquisitions: 528 full-time equivalents (6.6%)

**Balance sheet**

CHF million

	<b>30 June 2009</b>	%	30 June 2008	%
<b>Assets</b>				
Cash and cash equivalents	<b>150.6</b>	6.8	<b>152.9</b>	7.1
Short-term investments	<b>68.3</b>	3.1	<b>86.6</b>	4.0
Receivables	<b>578.7</b>	26.2	<b>640.8</b>	29.7
Inventories	<b>621.1</b>	28.2	<b>600.1</b>	27.8
Non-current assets	<b>787.4</b>	35.7	<b>677.2</b>	31.4
<b>Total assets</b>	<b>2 206.1</b>	100.0	<b>2 157.6</b>	100.0
<b>Liabilities and equity</b>				
Current liabilities	<b>835.9</b>	37.9	<b>1 031.4</b>	47.8
Non-current liabilities	<b>492.1</b>	22.3	<b>258.1</b>	12.0
Equity	<b>878.1</b>	39.8	<b>868.1</b>	40.2
<b>Total liabilities and equity</b>	<b>2 206.1</b>	100.0	<b>2 157.6</b>	100.0

**Division key figures**

CHF million

**January-June  
2009**

January-June  
2008

% change

				Adjusted for currencies	Adjusted for currencies and acquisitions
<b>Order intake</b>					
Kuhn Group	<b>276.7</b>	489.5	-43.5	-37.0	-52.0
Bucher Municipal	<b>211.2</b>	282.0	-25.1	-17.3	-17.3
Bucher Process	<b>61.7</b>	94.5	-34.7	-31.3	-31.6
Bucher Hydraulics	<b>134.4</b>	266.7	-49.6	-48.8	-49.8
Emhart Glass	<b>135.0</b>	250.1	-46.0	-42.2	-42.2

<b>Sales</b>					
Kuhn Group	<b>600.8</b>	607.8	-1.1	6.2	-11.6
Bucher Municipal	<b>215.5</b>	281.9	-23.5	-15.0	-15.0
Bucher Process	<b>45.5</b>	85.4	-46.7	-43.7	-44.4
Bucher Hydraulics	<b>170.9</b>	270.9	-36.9	-35.3	-36.6
Emhart Glass	<b>147.9</b>	206.4	-28.3	-23.2	-23.2

<b>Order book</b>					
Kuhn Group	<b>137.0</b>	198.3	-30.9	-25.8	-34.2
Bucher Municipal	<b>100.9</b>	169.8	-40.6	-34.3	-34.3
Bucher Process	<b>54.8</b>	77.2	-29.1	-25.3	-25.8
Bucher Hydraulics	<b>50.5</b>	102.5	-50.7	-49.7	-51.4
Emhart Glass	<b>149.3</b>	237.4	-37.1	-32.6	-32.6

<b>Operating profit (EBIT)</b>	CHF million	%	CHF million	%		
Kuhn Group	<b>41.3</b>	<b>6.9</b>	66.0	10.9		
Bucher Municipal	<b>10.5</b>	<b>4.9</b>	16.1	5.7		
Bucher Process	<b>-3.7</b>	<b>-8.1</b>	6.4	7.5		
Bucher Hydraulics	<b>10.4</b>	<b>6.1</b>	38.4	14.2		
Emhart Glass	<b>5.6</b>	<b>3.8</b>	16.1	7.8		

<b>Employee numbers</b>					
Kuhn Group <sup>1)</sup>	<b>3 480</b>		3 415	+1.9	
Bucher Municipal	<b>1 414</b>		1 573	-10.1	
Bucher Process	<b>518</b>		579	-10.5	
Bucher Hydraulics <sup>2)</sup>	<b>1 280</b>		1 619	-20.9	
Emhart Glass	<b>935</b>		1 051	-11.0	

<sup>1)</sup> Impact of acquisitions: 446 full-time equivalents (13.1%)

<sup>2)</sup> Impact of acquisitions: 52 full-time equivalents (3.3%)