BUCHER

Press release

Niederweningen, 19 March 2009

2008 financial year – best operating performance ever

The Group achieved very good operating performance in 2008, growing sales by 13% or currency-adjusted 20% to CHF 2 789 million. Organic growth reached 16%. Operating profit before exceptional impairment charges improved by 20% to CHF 276 million, representing a new record EBIT margin of 10%. Order intake increased by 3% over the previous year's high level to CHF 2 792 million. Profit for 2008 came in at CHF 145 million, down 15% year on year, weighed down by foreign exchange losses of CHF 23 million and impairment charges of CHF 39 million for goodwill and investments.

Sharp economic slowdown in the fourth quarter Following a very good trend in demand during the first nine months of the year, the fourth quarter brought a rapid economic slowdown that impacted Bucher Industries' key markets of Western Europe, North America, Eastern Europe and some Asian countries. All the divisions except Kuhn Group saw a decline in order intake in the fourth quarter.

High operating performance Bucher Industries capitalised on the good market conditions during the first nine months of the year and grew sales by 13.4% or currency-adjusted 19.5% to CHF 2 788.9 million. Organic growth contributed 16.0%, while acquisitions had an impact of 3.5%. Operating profit before exceptional impairment charges improved by 20.4%, representing an EBIT margin of 9.9%. In view of the financial crisis and the bleak outlook, exceptional impairment charges of CHF 29.9 million were necessary to write down goodwill of Bucher Municipal and Bucher Hydraulics. Despite these charges, operating profit increased by 7.3% to CHF 246.2 million. Order intake rose by 3.2% to CHF 2 791.9 million, up 5.7% excluding the impact of currency movements and acquisitions. The order book at the year

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end represented a backlog of about three and a half months' work, standing at CHF 843.4 million. This was 3.2% down on the previous year's figure, but up 2.1% excluding currency effects. As a result of massive fluctuations in the euro, US and Australian dollars, Swedish krona and British pound, as well as an CHF 8.9 million impairment charge on the investment in Jetter AG, net financial items were negative CHF 29.1 million. After income tax expense of CHF 71.7 million, the Group's profit for 2008 came in at CHF 145.4 million, down 15% year on year.

Robust financial position The Group's equity ratio remained virtually constant at 40.9%. Due to the marked upturn in sales and the acquisitions, working capital increased by CHF 118.2 million to CHF 463.3 million. Together with CHF 129.5 million in capital expenditure on property, plant and equipment, operating free cash flow was negative CHF 15.3 million, compared with positive CHF 42.7 million a year earlier. Acquisitions of CHF 152.1 million and growth in net assets resulted in net liquidity of negative CHF 110.6 million. Backed by bank loans and committed credit facilities of more than CHF 600 million, the Group retains a solid financing base. At the year end, the Group employed 8 373 people in 28 countries, an increase of 11.9%. Earnings per share before exceptional impairment charges were up 7.2% to CHF 18.30, falling by 15.7% to CHF 14.39 after impairment charges.

Investments in the future In line with the long-term strategy, the Group spent CHF 129.5 million on plant and equipment last year, investing in particular in an assembly plant for large agricultural machinery in France and one for glass forming machinery in Malaysia as well as in factory extensions for Bucher Hydraulics in Switzerland and Bucher Municipal in Denmark. Selective acquisitions of CHF 152.1 million were made for the Bucher Hydraulics and Kuhn Group divisions.

Kuhn Group increased sales of specialised agricultural machinery by 19.0% or currency-adjusted 26.0% to CHF 1 105.6 million in a very good market environment. The acquisition of Blanchard SAS, the French sprayer manufacturer, contributed 1.3% to the sales growth. Operating profit rose by 27.1% to CHF 136.9 million. Order intake reached CHF 1 224.0

million, up 17.1% or currency-adjusted 23.9% year on year. As a result, the order book expanded by 29.8% to CHF 432.2 million. All the regions, but especially the main markets of Western Europe and North America, contributed to the solid performance. The Brazilian market continued to recover at a fast pace. The acquisition of the Kverneland Group's baler development and manufacturing plant in Holland was completed on 19 February 2009. The purchase price for the company, including debts assumed, was EUR 115 million. In the current year, Kuhn Group expects the sharp economic slowdown mainly to have an impact on the growth markets of Eastern Europe, Russia and Brazil. Demand is also likely to fall in the main markets of Western Europe and North America. Given its strong market position, high order book at the beginning of this year and flexible cost structures, the division should maintain a reasonable level of capacity utilisation. Supported by the sprayer and baler acquisitions, Kuhn Group expects sales about level with last year and slightly lower EBIT maring for 2009.

Bucher Municipal grew sales of municipal vehicles and winter maintenance equipment by 4.1% or currency-adjusted 12.0% to CHF 579.1 million in 2008, benefiting from the strong order book at the beginning of the year and from some large orders. In Australia, Bucher Municipal was able to capitalise on the brisk demand for refuse collection vehicles and sweepers. The plummeting British pound and Australian dollar weighed on operating profit. With the weak economic outlook for Germany, an impairment charge of CHF 4.7 million had to be recognised for goodwill of Gmeiner GmbH. Operating profit before the impairment charge grew by 15.7% to CHF 42.7 million, representing an EBIT margin of 7.4%. Order intake reached CHF 528.4 million, falling by 12.4% or currency-adjusted 5.7% due to the weak fourth quarter. For this year, the division anticipates that government tax revenues will be lower and practices in lending to private sweeper fleet operators will remain restrictive. These factors are likely to dampen demand, although government programmes to boost economic activity may partially mitigate this effect. Bucher Municipal therefore expects considerably lower sales and a reduction in profitability for 2009.

Bucher Process generated sales of CHF 195.2 million for last year, up by 12.3% or currency-adjusted 15.7% on the previous year's high figure. The division increased operating profit by 26.8% to CHF 24.1 million. The good EBIT margin of 12.4% was driven in particular by the excellent handling of the two major orders to supply fruit juice and cider making equipment to China and the UK. Due to the absence of equivalent follow-up orders for fruit juice processing equipment and with wine producers in the southern hemisphere holding back on capital investment decisions in the wake of the financial crisis, order intake declined by 16.8% or currency-adjusted 13.8% to CHF 167.7 million. For 2009, the division expects its customers to be cautious in capital investment decisions. Major projects are likely to be deferred or cut back. As a result, Bucher Process expects sales and operating profit to be substantially lower than last year.

Bucher Hydraulics increased sales of custom hydraulic system solutions by 28.6% to CHF 497.0 million, up 33.5% excluding currency effects. Organic growth was 14.8%. The US companies acquired in 2008, Monarch Hydraulics Inc. and Command Controls Corp., contributed CHF 65.2 million to sales. Operating profit before the impairment charge was CHF 56.4 million, down 3.6% on the high year-earlier level. Due to the bleak market outlook for the USA, an impairment charge of CHF 25.2 million was recognised for goodwill. Order intake rose by 14.2%, or 2.6% excluding the impact of currency movements and acquisitions, to CHF 472.9 million. Only the supply markets for materials handling, agricultural and power engineering equipment worldwide and for construction equipment in China were largely unaffected by the economic downturn during the latter months of the year. Bucher Hydraulics expects customers to reduce their inventory levels this year. Even demand in the agricultural machinery and power engineering sectors, which has remained stable so far, is unlikely to escape a slowdown. For 2009, the division expects sales to be considerably lower. Due to the impairment charge of CHF 25.2 million recognised in 2008, operating profit should be about level with last year.

Emhart Glass generated CHF 418.3 million in sales of machinery for manufacturing and inspecting glass containers, almost reaching the previous all-time high posted the year before. Excluding currency effects, sales were up 3.4% year on year. Operating profit increased by 5.4% to CHF 35.0 million. Process optimisations that reduced assembly time by up to 44% delivered the expected cost savings. In the latter months of 2008, economic activity slowed down noticeably across all regions. Order intake fell by 9.4% or currency-adjusted 6.1% year on year to CHF 398.9 million. In view of the economic situation, the glass container industry anticipates a decline in demand and falling prices for glass containers during 2009. Given the large installed base, sales generated with spare parts should remain firm and have a stabilising effect. For 2009 Emhart Glass expects lower sales and slightly reduced profitability.

Outlook for 2009 Due to the financial crisis, forecasts for this year are extremely uncertain. The divisions responded at the beginning of this year by reducing temporary jobs, flexitime balances, overtime and untaken holidays. A few job cuts were unavoidable. Bucher Industries is watching the further market developments very closely and is prepared to take appropriate measures early. Furthermore, customers' difficulties obtaining financing are likely to weigh on performance. The agricultural machinery sector, a market of importance to the Group, should be least affected by this. The solid order book at the beginning of the year and the acquisitions made in 2008 will support sales performance. Overall, Bucher Industries expects the Group's sales to be down year on year, with lower operating and net profit for 2009.

Dividend To maintain a steady dividend policy, the board of directors proposes that the annual general meeting on 16 April 2009 approve payment of a dividend of CHF 4.50 per registered share. The dividend paid last year was CHF 5.00. This proposed dividend represents a payout ratio of 32.7%.

Annual general meeting The annual general meeting will be held at 4.00 p.m. on 16 April 2009 at the Hotel Mövenpick in Regensdorf. The board of directors proposes that directors Claude R. Cornaz, Kurt E. Siegenthaler and Heinrich Spoerry be re-elected for another term of three years. Notice of the annual general meeting will be mailed on 25 March 2009. The dividend will be paid from 21 April 2009.

The Bucher Industries annual report can now be downloaded from the Internet at www.bucherind.com, where the notice of the annual general meeting will be published from 25 March 2009. The annual report will be available in printed form from 25 March 2009.

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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

Group key figures

CHF million	**2008**	**2007**	% Change	Adjusted for currencies and acquisitions
Order intake	**2 791.9**	2 704.3	+3.2	+5.7
Net sales	**2 788.9**	2 458.8	+13.4	+16.0
Order book	**843.4**	871.3	-3.2	+0.8
Operating profit before depreciation and amortisation (EBITDA)	**341.6**	285.9	+19.5	
As % of net sales	*12.2%*	*11.6%*		
Operating profit (EBIT) before impairment charges	**276.1**	229.4	+20.4	
As % of net sales	*9.9%*	*9.3%*		
Operating profit (EBIT)	**246.2**	229.4	+7.3	
As % of net sales	*8.8%*	*9.3%*		
Net financial result [1)]	**-29.1**	10.6	-	
Income tax expense	**-71.7**	-69.0	+3.9	
Profit for the year	**145.4**	171.0	-15.0	
As % of net sales	*5.2%*	*7.0%*		
Earnings per share in CHF	**14.39**	17.07	-15.7	
Number of employees at 31 December	**8 373**	7 484	+11.9	
Average number of employees during year	**8 176**	7 261	+12.6	

[1)] The 2008 figure includes an CHF 8.9 million impairment charge on the investment in Jetter AG.

Consolidated balance sheet at 31 December

CHF million	**2008**	%	2007	%
Assets				
Cash and cash equivalents	**132.6**	6.4	377.5	17.7
Securities	**101.6**	4.9	114.8	5.4
Receivables	**577.8**	27.9	559.9	26.3
Inventories	**609.0**	29.5	544.9	25.6
Non-current assets	**646.6**	31.3	533.2	25.0
Total assets	**2 067.6**	100.0	2 130.3	100.0
Liabilities and equity				
Current liabilities	**897.1**	43.4	1 011.5	47.5
Non-current liabilities	**324.4**	15.7	246.0	11.5
Equity	**846.1**	40.9	872.8	41.0
Total liabilities and equity	**2 067.6**	100.0	2 130.3	100.0