BUCHER

Annual report 2015

Key Figures >

Cover picture: Cross-flow ultrafiltration unit from Bucher Unipektin

Key figures

Group

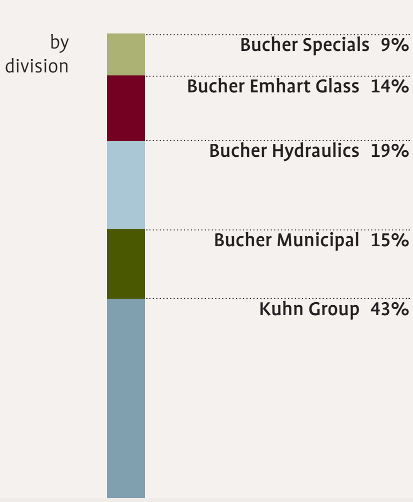
CHF million				change in	
	2015	2014	%	% [1]	% [2]
Order intake	2 439.5	2 742.1	−11.0	−3.8	−4.3
Net sales	2 490.4	2 805.6	−11.2	−4.4	−4.9
Order book	688.4	788.9	−12.7	−5.4	−5.4
Operating profit before depreciation and amortisation (EBITDA)	296.2	349.8	−15.3		
as % of net sales	11.9%	12.5%			
Operating profit (EBIT)	207.1	257.2	−19.5		
as % of net sales	8.3%	9.2%			
Net financial result	−13.3	−13.2	−0.7		
Income tax expense	−53.8	−54.3	0.9		
as % of profit before tax	27.8%	22.3%			
Profit/(loss) for the year	140.0	189.7	−26.2		
as % of net sales	5.6%	6.8%			
Earnings per share in CHF	13.69	18.58	−26.3		
Capital expenditure	81.9	116.3	−29.6		
Operating free cash flow	157.8	53.7	193.9		
Research and development costs	96.1	102.4	−6.2		
Net cash/debt	−10.4	−85.0	87.8		
Total assets	2 353.6	2 604.5	−9.6		
Equity	1 154.1	1 201.6	−4.0		
Equity ratio	49.0%	46.1%			
Return on equity (ROE)	11.9%	16.7%			
Net operating assets (NOA) average	1 295.7	1 268.0	2.2		
Return on net operating assets (RONOA) after tax	11.5%	15.8%			
Number of employees at 31 December	11 072	11 554	−4.2		
Average number of employees during year	11 486	11 631	−1.2		−2.3
Net sales per employee CHF 1 000	217	241	−10.0	−3.1	−2.6

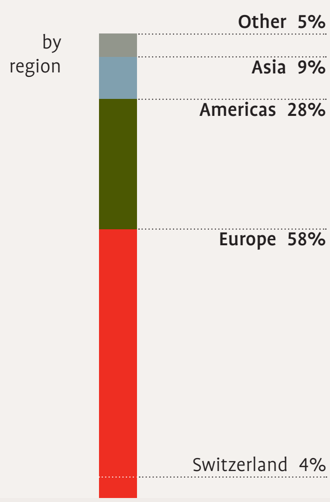
[1] Adjusted for currency effects
[2] Adjusted for currency and acquisition effects

Divisions

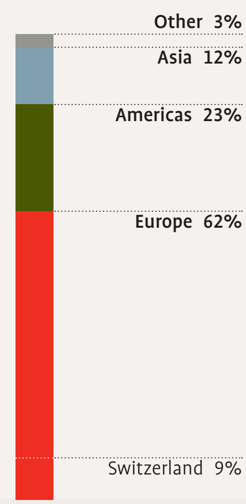
CHF million	Order intake		Net sales		Order book		Operating profit (EBIT)		Number of employees at 31 December	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Kuhn Group	1 008.6	1 221.4	1 068.3	1 261.9	362.8	454.1	108.6	152.7	4 830	5 207
Bucher Municipal	373.8	415.6	384.4	418.7	84.8	100.7	32.5	32.2	1 525	1 557
Bucher Hydraulics	461.1	484.5	461.4	475.4	75.0	78.2	53.1	48.5	2 034	2 043
Bucher Emhart Glass	399.6	367.0	359.8	389.2	126.3	95.1	23.8	15.2	1 819	1 890
Bucher Specials	237.7	299.3	257.2	304.5	50.7	72.9	12.9	27.1	802	793
Other/consolidation	−41.3	−45.7	−40.7	−44.1	−11.2	−12.1	−23.8	−18.5	62	64
Group	**2 439.5**	**2 742.1**	**2 490.4**	**2 805.6**	**688.4**	**788.9**	**207.1**	**257.2**	**11 072**	**11 554**

Net sales



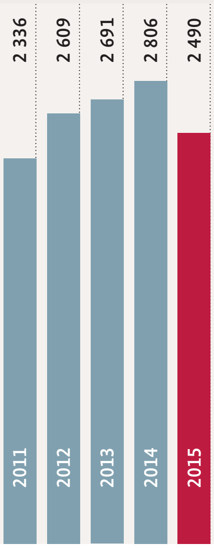


Number of employees

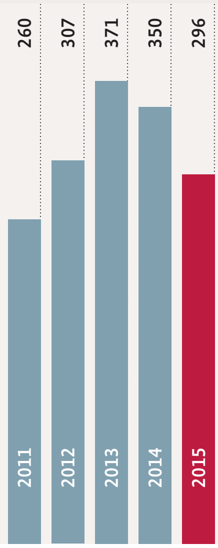


Five-years summary

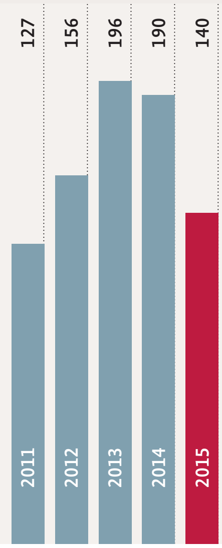
Net sales
CHF million



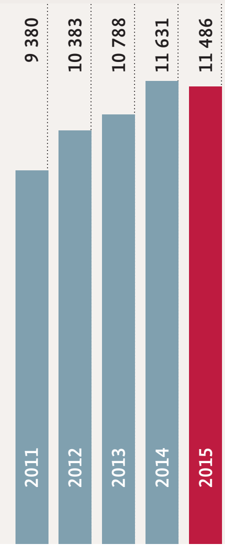
Operating
profit (EBITDA)
CHF million



Net profit
CHF million



Average number
of employees



Contents

Bucher at a glance

Our success is built on strong market positions, innovative power and flexible, efficient structures. The consistently long-term orientation of our corporate strategy, coupled with effective, decentralised responsibility for management and performance, ensures sustainable corporate development.

Our mission

We develop and manufacture economical, state-of-the-art and environmentally sustainable machinery and systems. We systematically align our activities with customer needs in the certain knowledge that satisfied customers are the best guarantee for the successful future of a company. Our machines and services are wide-ranging in their application: harvesting, producing and packaging foods, keeping roads and public spaces clean and safe, or providing hydraulic-electrical drive systems for high-performance equipment. Our customers benefit from effective, innovative products, with high quality standards underpinned by outstanding service. Our committed, highly skilled employees enjoy attractive jobs and training opportunities adapted to individual needs.

Our goals

We seek to achieve superior profitability and a sound balance sheet through technology leadership, a strong market position and systematic cost management. We will continue to build the Group through organic growth and innovation, as well as by acquiring and integrating selected, complementary businesses.

Report to shareholders

Dear Shareholders

In a challenging market environment order intake and sales both fell by 11%. Currency effects of around 7% were the main reason for the decrease. The operating profit margin of 8.3% was 0.9 percentage points below the previous year's level. There was a corresponding decrease in profit for the year, which came in at CHF 140 million. Earnings per share were CHF 13.69.

Market trends Business performance in the reporting year was influenced by the sluggish economy in Europe, geopolitical uncertainties in the CIS countries and the strong Swiss franc. The slowdown in the market for agricultural machinery continued, intensifying from mid-year onwards. The arable sector was worst hit, but the dairy industry also saw falling prices. The market for municipal vehicles and winter maintenance equipment remained stable at a low level. The only positive impetus came from Great Britain and the USA. The demand for hydraulic systems in North America was very encouraging, resulting in a high level of sales growth in the region. In Europe, by contrast, there was an overall weakening of demand, despite brisk business in industrial applications. The market for glass-forming and inspection machinery benefitted from lively investments in South America. In winemaking equipment, industrial and automation solutions as well the Swiss market for agricultural machinery, demand remained stable overall and in line with expectations. The project business in fruit juice and beer production was adversely affected by numerous delays to projects and the worldwide downturn in beer consumption.

Business performance In this challenging market environment, order intake and sales both declined by 11%. This development was driven by negative currency effects amounting to around 7% and the general slowdown in the economy. Kuhn Group felt the effects of the marked downswing in agriculture, although the division significantly outperformed the market as a whole. Sales at Bucher Municipal almost compensated for the CHF 23 million lower value of the follow-up order from the city of Moscow. Bucher Hydraulics held up well thanks to its strong position in North America and new serial orders. Although Bucher Emhart Glass started the reporting year with a low order book, business with glass-forming and inspection machinery improved steadily during the year. However, the business performance of Bucher Specials declined. The main reasons were increased competitive pressure in fruit juice processing equipment and numerous project delays due to the uncertain economic situation. The fall in beer consumption worldwide for the first time in many years was a further negative influence on demand for beer filtration systems. These factors led to a 19% decline in operating profit, which came in CHF 207 million, while the operating profit margin decreased to 8.3%. The profit for the year fell to CHF 140 million and earnings per share were CHF 13.69.

Currency effects After discontinuation of the minimum euro rate by the Swiss National Bank in mid-January 2015, the Swiss franc appreciated massively against the Group's main operating currencies. In view of the internationalisation of the Group's business over many years, the exchange-rate shock mainly affected the translation of foreign currencies into Swiss francs. The annual average decline in the euro against the Swiss franc was 11%. The depreciation was only partly offset by the recovery of the US dollar. In the reporting year, the negative currency effect on sales was 7%, on operating profit 12% and on the operating profit margin 0.5 percentage points. The main reasons for this were currency-translation effects on receivables and inventories as well as price discounts. Cost-saving measures and strong market positions helped to cushion the adverse influences. The negative currency effect on the financial result was CHF 1 million. The translation of the various balance sheet items reduced equity by CHF 109 million and increased net debt by CHF 12 million.

Financial situation In the reporting year, net operating assets decreased by CHF 108 million. On average, however, they rose by CHF 28 million to CHF 1 296 million. As a consequence of the lower profitability, return on net operating assets (RONOA) after tax was 11.5%, still significantly higher than the cost of capital, but below the long-range target of 16%. The free cash flow improved by CHF 152 million, reaching CHF 86 million. This was achieved by lower expenditure for net working capital, investments and acquisitions. At the end of the reporting year, the Group was virtually debt-free, with net debt standing at only CHF 10 million. The equity ratio rose from 46% to 49%.

Kuhn Group Kuhn Group performed remarkably well in a challenging market environment. The worldwide decline in agriculture steepened from the middle of the reporting year, with the arable sector particularly hard hit. But the dairy sector also experienced falling prices, resulting in a marked decline in farmers' incomes, placing significant constraints on their willingness to invest. By contrast, demand in the meat sector remained stable. The market in Eastern Europe slumped because of the unstable geopolitical situation as well as financing issues. Kuhn Group was unable to escape completely from the effects of these challenges. Currency-adjusted order intake decreased by 9%, and sales by 8%, with a corresponding decline in operating profit margin to 10.2%.

Bucher Municipal Bucher Municipal's markets did not change significantly in the reporting year, with demand for sweepers and winter maintenance equipment remaining stable at a low level. The division successfully defended its good market positions. Business in Great Britain and the USA surpassed expectations, thanks to the pressing need of private service providers to renew their vehicle fleets. The subdued pace of economic activity in Australia resulted in a slight fall in demand for refuse collection vehicles. The follow-up order from the city of Moscow, which was CHF 23 million lower than the previous year, resulted in a currency-adjusted fall of 4% in order intake and 2% in sales. Thanks to good capacity utilisation and strict cost discipline, the division increased the operating profit margin to 8.4%.

Bucher Hydraulics Demand for hydraulic systems in the European market declined overall; in North America, by contrast, there were positive stimuli, particularly in mobile hydraulics applications. Economic activity in China slowed and Brazil entered a deep recession, while India profited from sales in its home market as well as from exports. The construction machinery segment developed well in the first half, but slowed in the second half. The division was also affected by the worldwide decline in the agricultural machinery market. Bucher Hydraulics almost managed to compensate for this trend through new business with system solutions and current series products. Overall, on a currency-adjusted basis, sales were slightly higher than the previous year and order intake slightly lower. Thanks to its very solid operating performance, the division increased the operating profit margin to 11.5%.

Bucher Emhart Glass The market for glass-forming and inspection machinery remained largely unchanged in the reporting year. There was high demand from beer brewers in South America who invested in the production of glass containers. The project business continued at a moderate level in Europe; the Middle East saw a decline, mainly due to the political situation, while in China the market remained at a low level because of surplus capacity. Sales of inspection machinery decreased after a run of good years, while the spare parts business held up very well. Bucher Emhart Glass increased order intake by 21% and sales by 2% adjusted for currencies. The measures to realign the division resulted in a clear increase in operating profit margin to 6.6%.

Bucher Specials The very brisk demand for winemaking equipment seen in 2014 returned to a normal level in the reporting year. In the fruit juice processing equipment segment, competitive pressure increased significantly and the division experienced many project delays owing to the uncertain economic situation. The worldwide beer market declined for the first time since 1992. As a result, order intake and sales declined by 16% and 11% respectively on a currency-adjusted basis. The operating profit margin fell from 8.9% to 5.0% as a result of underutilisation of capacity and massive currency effects affecting the Swiss plants. Despite the disadvantages of the currency hedging transactions entered into, the Swiss distributorship for tractors and agricultural machinery held up well by immediately passing on currency advantages to customers. Industrial and mobile automation developed in line with expectations.

Dividend In keeping with a consistent dividend policy, the board of directors is proposing that the annual general meeting on 15 April 2016 approve payment of a dividend of CHF 5.50 per registered share. In the previous year, the dividend was CHF 6.50 per share.

Board of directors and group management At the end of 2014, the board of directors announced the appointment of a new chief executive, well in advance of the actual succession. Jacques Sanche took up his appointment as CEO designate on 1 September of the reporting year, three months earlier than planned, with an intensive induction programme. He is due to succeed long-standing CEO Philip Mosimann at the annual general meeting on 15 April 2016; at the same time, the general meeting will vote on a proposal that Philip Mosimann be appointed as the new chairman of the board of directors. Rolf Broglie is due to step down at the annual general meeting in April 2016 having served for 20 years as a member of the board of directors and since 2011 as its chairman. The board of directors would like to take this opportunity to thank Rolf Broglie – also on behalf of the entire workforce – for his many years of committed service to Bucher Industries and wish him all the best for the future and this new chapter in his life.

In December 2015, the Group made an early announcement about the forthcoming change of CFO, due in the current year. Christina Johansson, Group CFO at SR Technics, will join Bucher Industries on 1 July 2016 as CFO designate and member of group management, assuming full responsibility as CFO in the fourth quarter of 2016. After 20 years of service as CFO at Bucher Industries, Roger Baillod is becoming independent to pursue his career as a professional board member.

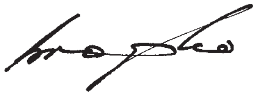
After 15 years as a member of group management and head of the Bucher Municipal division, Michael Häusermann left the Group in August 2015 to seek a new professional challenge. On 1 March of the current year, Aurelio Lemos took over as head of Bucher Municipal and was simultaneously appointed as a member of group management. Aurelio Lemos, who had previously held a number of managerial posts in international companies, joined the Group in 2003 and was appointed head of Bucher Hydraulics Switzerland in 2012.

The Group was thus able to fill all the vacancies resulting from the changes at board and group management level with experienced internal and external candidates.

Thanks to our employees and partners The Group has a challenging year in a demanding economic environment behind it. We wish to thank our customers, employees and business partners who have all played their part in helping us overcome many challenges in difficult times. They all deserve our recognition and sincere thanks.

Outlook for 2016 For the year in progress, the Group is expecting the volatile economic climate to persist. Kuhn Group expects a further weakening of demand in the arable sector as well as the dairy and meat industries. Bucher Municipal is not counting on a significant recovery and will also have to manage without the CHF 30 million boost to sales that a follow-up order from the city of Moscow provided the previous year. Bucher Hydraulics is anticipating modest growth in Europe and the USA, with the exception of the agricultural machinery segment. The market launch of a new generation of inspection machinery and the cooperation with O-I should have a positive impact on demand at Bucher Emhart Glass. Bucher Specials reckons with an unchanged market environment, though demand for equipment and technologies for processing fruit juice and beer is likely to improve. For the current year as a whole, the Group expects a slight downturn in sales and an operating profit and profit for the year on a par with the previous year.

Niederweningen, 8 March 2016



Rolf Broglie
Chairman of the Board

Philip Mosimann
Chief Executive Officer

Rolf Broglie
Chairman of the Board

Philip Mosimann
Chief Executive Officer

Information for investors

At 31 December		2015	2014	2013	2012	2011
Share capital						
Registered shares						
Par value	CHF	0.20	0.20	0.20	0.20	0.20
In issue and ranking for dividend	number	10 250 000	10 250 000	10 250 000	10 250 000	10 565 900
Authorised but unissued	number	1 184 100	1 184 100	1 184 100	1 184 100	1 184 100
Treasury shares	number	139 839	149 450	227 907	465 073	798 494
Issued share capital	CHF	2 050 000	2 050 000	2 050 000	2 050 000	2 113 180
Market capitalisation and dividends						
Market capitalisation	CHF million	2 319.6	2 551.2	2 654.8	1 845.0	1 734.9
as % of equity	%	207.9	220.0	257.7	215.8	222.2
Gross dividend per registered share	CHF	5.50 [1]	6.50	6.50	5.00	4.00
Total dividend	CHF million	56.4 [1]	66.6	66.6	51.3	42.3
Payout ratio	%	40.8 [1]	35.6	34.3	34.2	33.9
Per share data						
Profit/(loss) for the year						
Basic earnings per share	CHF	13.7	18.6	19.6	15.5	12.5
Diluted earnings per share	CHF	13.7	18.5	19.5	15.5	12.5
Net cash flow from operating activities	CHF	23.4	16.1	22.3	20.4	17.6
Equity	CHF	108.9	113.2	100.5	83.4	73.9
Year high	CHF	257.0	314.3	259.0	200.3	215.0
Year low	CHF	201.7	218.2	182.2	144.2	128.7
Year-end price	CHF	226.3	248.9	259.0	180.0	164.2
Average price	CHF	232.9	269.0	226.0	173.5	173.8
Average dividend yield	%	2.4 [1]	2.4	2.9	2.9	2.3
Average daily trading volume	number	16 931	17 676	13 824	16 674	20 001
Price/earnings ratio (year-end price)		16.5	13.4	13.2	11.6	13.1

[1] Proposal by the board of directors

Stock exchange listing

The registered shares of CHF 0.20 each are listed on the main board of the SIX Swiss Exchange:

Security No.	243217
ISIN	CH0002432174
SIX Swiss Exchange	BUCN
Reuters	BUCN.S
Bloomberg	BUCN SW

The registered shares are also traded on the over-the counter markets of the following stock exchanges: Frankfurt, Stuttgart, Berlin, Xetra.

Contact

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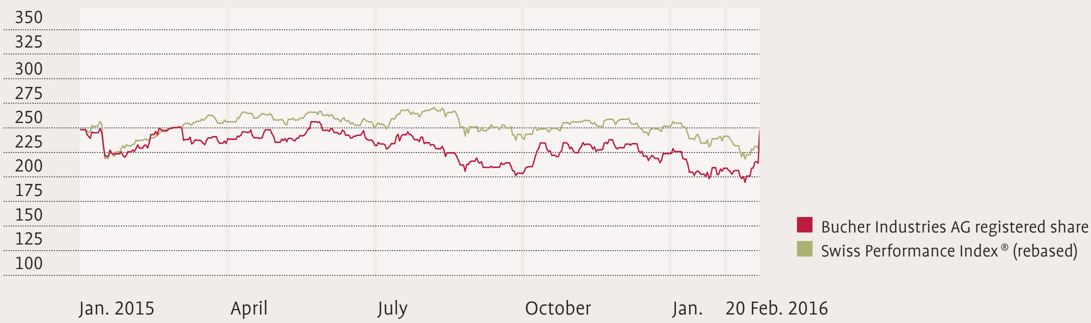
Financial calendar

Annual general meeting (Mövenpick Hotel, Regensdorf)	15 April 2016	15.30 h
First trading date ex-dividend	19 April 2016	
Dividend payment	21 April 2016	
Release of first quarter 2016 group sales	28 April 2016	
Sustainability report 2015	30 June 2016	
Interim report 2016	27 July 2016	
Release of third quarter 2016 group sales	27 October 2016	
Release of 2016 group sales	2 February 2017	
Annual press conference	7 March 2017	09.00 h
Annual analyst conference	7 March 2017	14.00 h
Annual report 2016	7 March 2017	
Annual general meeting (Mövenpick Hotel, Regensdorf)	19 April 2017	15.30 h
First trading date ex-dividend	21 April 2017	
Dividend payment	25 April 2017	
Release of first quarter 2017 group sales	27 April 2017	
Sustainability report 2016	29 June 2017	
Interim report 2017	3 August 2017	
Release of third quarter 2017 group sales	26 October 2017	

Share price performance CHF



Five divisions, five progress reports

The Group comprises five divisions specialising in industrially related areas of mechanical and vehicle engineering. Their operations are geared towards fundamental human needs. We show the same dedication to quality in all regions of the world. This entails challenges which are both technical and cultural in nature.

Kuhn Group

is the world's leading supplier of specialised agricultural machinery for tillage, seeding, fertilisation, spraying, landscape maintenance, hay and forage harvesting, livestock bedding and feeding.

Bucher Municipal

is the European and Australian market leader in municipal vehicles for cleaning and clearing snow from public and private spaces offering a wide range of compact and truck-mounted sweepers, winter maintenance equipment and refuse collection vehicles.

Bucher Hydraulics

is a leading international manufacturer of custommade hydraulic systems. The wide range of products includes pumps, motors, valves, cylinders, power units, elevator drives and control systems with integrated electronics.

Bucher Emhart Glass

is the world's leading supplier of advanced technologies for manufacturing and inspecting glass containers. Its portfolio consists of glass-forming and inspection machinery, systems, components, spare parts, advice and services for the glass container industry.

Bucher Specials

comprises machinery and technologies for winemaking (Bucher Vaslin), technologies for processing fruit juice, instant products and beer as well as dewatering sewage sludge (Bucher Unipektin), a Swiss distributorship for tractors and specialised agricultural machinery (Bucher Landtechnik), and control systems for automation technology (Jetter).

Ventspils
Bucher Municipal has operated a production plant for sweepers in Latvia since 2005. In addition to sheet metal forming, a key factor in their manufacture is flawless welding. Bucher Municipal is seeking ways to ensure long-term availability of the necessary locally based, specialist staff.

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Zibo 淄博
Bucher Emhart Glass in China is defining new workflows for the assembly of complex components and machinery. These standardised, process-oriented workplaces, with integrated facilities for testing assembly work, make it possible to tap into new potential.

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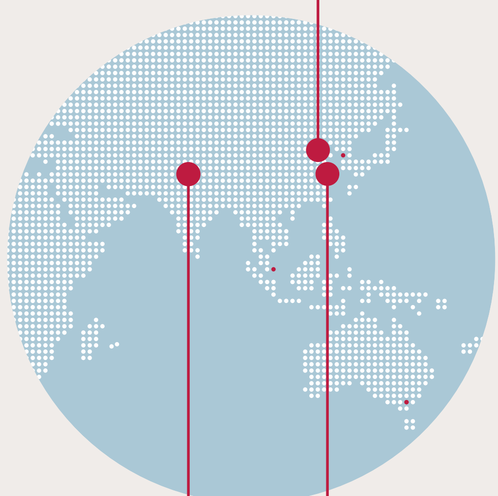

Passo Fundo & São José dos Pinhais Kuhn Group is developing a self-propelled high-precision fertiliser spreader in Brazil, one of the world's leading agricultural producers. In this market, large farming operations, with well over 1 000 hectares of land, call for high-capacity agricultural machinery.

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Gurgaon गुड़गांव
Bucher Hydraulics produces high-quality valves and components in India. In quality assurance, as in other respects, Bucher Hydraulics consciously relies on local expertise; this has a number of crucial advantages.

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Shanghai 上海
Jetter Shanghai has won an order to develop a control system for a customer in China. The system will replace an existing automation facility and make the customer's machinery more competitive in the Chinese market.

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KUHN
3
4
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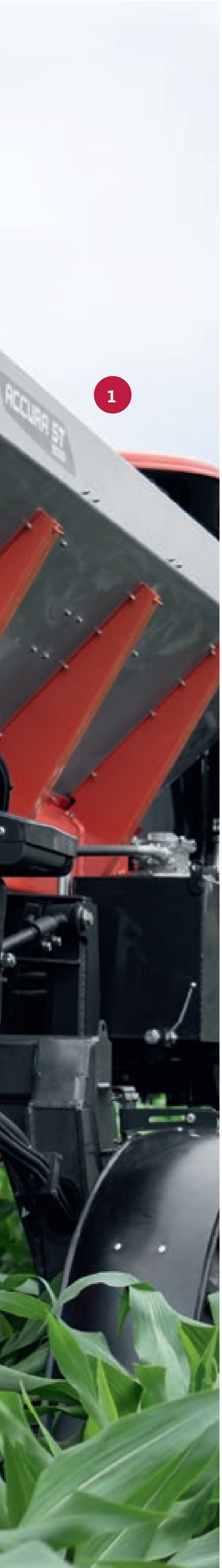


Kuhn Group

210 million tons of cereals produces annually, one innovative spreading solution

An exhaustive market analysis covering large-scale Brazilian farming enterprises showed that only a limited number of fertiliser spreaders were well suited to the market and met the demand of crop producers for precision, simplicity and productivity. Brazil is one of today's world-leading grain producer countries. To meet market demand, Kuhn do Brasil, in cooperation with Kuhn-Montana, developed the new Accura ST 5000 self-propelled fertiliser spreader. It combines an increased working width with a higher level of accuracy and ease of use, and minimises crop losses due to wheel tracks and compaction. This new product will enable large-scale farms in Brazil to benefit from a modern, very productive and precise machine that is simple to operate.

1 The Accura ST 5000, an industry first, grew out of the collaboration between Kuhn do Brasil and Kuhn Montana, a company manufacturing self-propelled crop sprayers that joined Kuhn Group in 2014.

2 Thanks to track widths matching those of the self-propelled sprayers, the number of wheel tracks is kept to a minimum in the field, thus protecting the ground, allowing more land to be cultivated and increasing crop yields.

3 Combining a higher level of accuracy with an increased operational working width that is more than 10% wider than the spreaders available on the market, this self-propelled fertiliser spreader is designed to match the width of the crop sprayer, allowing large-scale farming enterprises to further increase their productivity.

4 With the working width increased up to 40 m, the Accura ST 5000 spreads fertiliser economically, precisely and uniformly at a working speed up to 30 km/hour.

Kuhn Group

Activities Kuhn Group is the world's leading supplier of specialised agricultural machinery for tillage, seeding, fertilising, spraying, landscape maintenance, hay and forage harvesting, and livestock bedding and feeding. The division offers an exceptionally wide range of products, tailored to suit the needs of all kinds of agricultural operations worldwide, including large farms and contractors. The division has production facilities in France, the Netherlands, the USA and Brazil.

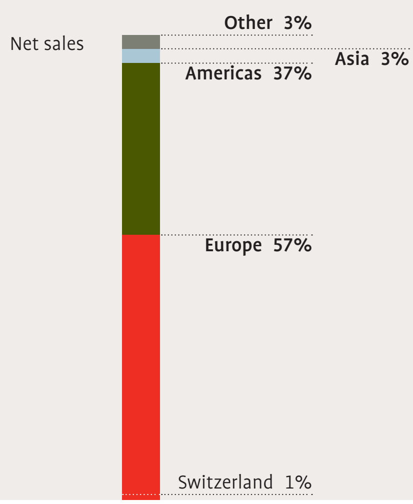
Highlights The worldwide decline in agriculture became more pronounced in the reporting year, particularly in the second half. The arable sector was worst affected by the low prices for farm products, but the dairy industry also experienced falling prices. Farmers' incomes were significantly lower as a consequence, placing noticeable restraints on their willingness to invest. By contrast, demand in the meat sector remained largely stable. In this challenging environment, order intake decreased by 9% and sales by 8% in terms of local currencies. Kuhn Group accounted for 43% of group sales (2014: 45%).

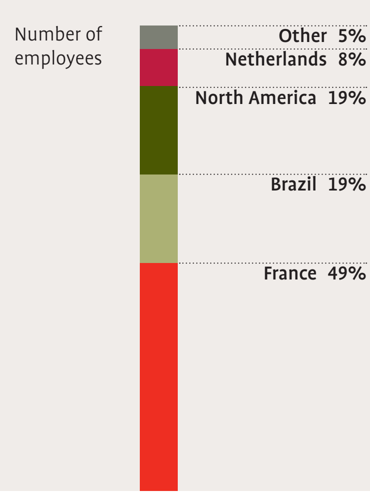
Key figures

CHF million			change in		
	2015	**2014**	**%**	**% 1)**	**% 2)**
Order intake	1 008.6	1 221.4	− 17.4	− 9.2	− 10.3
Net sales	1 068.3	1 261.9	− 15.3	− 7.5	− 8.5
Order book	362.8	454.1	− 20.1	− 12.9	− 12.9
Operating profit (EBITDA)	150.1	195.5	− 23.2		
as % of net sales	14.1%	15.5%			
Operating profit (EBIT)	108.6	152.7	− 28.9		
as % of net sales	10.2%	12.1%			
Number of employees at 31 December	4 830	5 207	− 7.2		–
Average number of employees	5 130	5 227	− 1.9		− 5.0

1) Adjusted for currency effects
2) Adjusted for currency and acquisition effects

Geographical analysis





Challenging market conditions The decline in the agricultural sector that began in mid-2014 worsened during the reporting year. Farmers' willingness to invest was characterised by restraint worldwide, although regional variations were noticeable. The general downturn in the arable sector became more pronounced in the second half. The dairy industry was also affected by declining demand, while the meat sector held its ground. In Europe, France – the principal market – was particularly affected by the downturn, which was aggravated by the abolition of milk quotas in the European Union at the end of March 2015. The market in Eastern Europe collapsed because of the unstable geopolitical situation as well as issues related to financing. In the arable and dairy sectors in North America, with farmers' incomes up to a third lower, the slowdown was particularly marked. Further falls in cereal prices and overcapacity in the dairy industry fuelled this trend. In South America, Brazil – a major agricultural economy – was hit by a pronounced recession.

Business performance Kuhn Group performed remarkably well despite the difficult market conditions around the world. In a sharply declining economic environment, order intake, adjusted for currency effects, fell by 9% and sales by 8%. Kuhn Group performed considerably better than the market as a whole, benefitting from its strong market positions, particularly in Western Europe and North America. In some regions, it actually increased its market shares. Thanks to cost reduction initiatives and continuous improvements to processes and workflows, Kuhn Group recorded a pleasing EBIT margin of 10.2%, though this was lower than the high level of the previous year. The division achieved this result without compromising on the investments made in the development of its product range and infrastructure. By skilful management of its production volume, the division was able to maintain inventories at normal levels – at dealers as well as its own plants. The division also implemented various cost reduction measures, for example accelerated reduction of overtime and accumulated annual leave accounts, a decrease in the number of staff employed on temporary or fixed-term contracts, and even the temporary closure of certain underutilised plants.

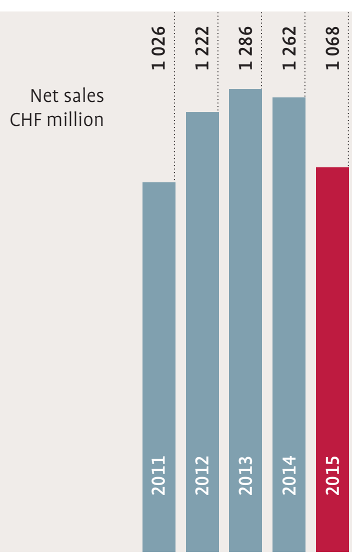
New centralised logistics facility in France Every year, some 38 000 machines for hay and forage harvesting, and tillage and seeding are manufactured and shipped from the production plant in Saverne, France. This total represents more than 500 different models of the wide product range offered by the division. As a result of the rapid growth of the Saverne site in recent years, Kuhn Group found its logistics increasingly coming up against certain limitations. To increase productivity and flexibility, the division plans to base its material handling on the principle of just-in-time manufacturing. The changeover involves the entire internal supply chain, from the assembly and manufacturing lines to kitting and short-term storage of the just-in-time parts for assembly, quality control and the whole goods handling process. As the first milestone in the implementation

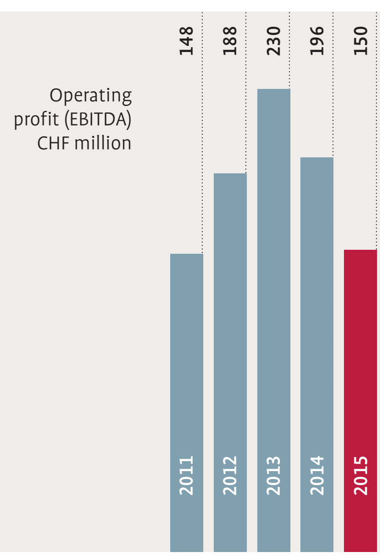
of this comprehensive reorganisation, the division began with the planning of a new logistics centre.

Investment in production and infrastructure In the reporting year, Kuhn Group made further investments in the infrastructure of its plants in Geldrop, Netherlands, and Brodhead, Wisconsin, USA. The division had already completed a 16 500 m² assembly shop in Geldrop in 2014 to meet the requirements of producing increasingly complex balers using lean manufacturing concepts and to ensure the capacity needed to satisfy future production volumes. At the beginning of the reporting year, the division undertook the second phase of its program in Geldrop, bringing the production of all round balers, large square balers and bale wrappers on stream according to plan, followed, in the summer of 2015, by the completion of a new 2 500 m² shipping hall, outside storage space and the commissioning of a new, fully automated powder painting installation. The new facility was officially inaugurated in the autumn of 2015. Around 250 trade partners, suppliers and government officials were invited to this event.

At the Brodhead site, the division invested in a 6 300 m² modern facility for powder and liquid spray painting with modern, environmentally compatible technology that started operations at the end of the reporting year. This modernisation enabled Kuhn North America to bring the quality of its surface coating to the next level, but also to cope with the increasing size of the machines it produces and further accelerate its production flow. By using the space freed up in the existing hall, it is possible to accommodate the strong growth in prototype production and expand the necessary testing installations.

Awards for top products In the reporting year, Kuhn Group aligned its production to take account of the increasing size of agricultural enterprises and the growing demand for machinery with higher productivity. It introduced a number of new models aimed at the requirements of large-scale, technically advanced farming operations. The division unveiled a new model at the SIMA show in Paris: the ESPRO minimum-till seed drill, which was named “Machine of the Year 2015” in the drilling category. This new line of seed drills from Kuhn Group features low tractor horsepower requirements and precise seed placement even in high-speed drilling operations. In the baler segment, the division launched the SW 4014 big square bale wrapper, with a newly developed automated bale detection and wrapping system, which received an award for innovation at the Agritechnica trade fair. The new system is equipped with a laser measuring system which accurately detects a bale during approach, loads it with precision, wraps it in film and unloads it automatically, all while moving. This significantly increases the output of the wrapping operation.





Outlook 2016 For manufacturers of agricultural machinery 2015 was a difficult year. The situation is unlikely to see any significant improvement in the current year. Kuhn Group expects the overall market for specialised agricultural machinery to weaken further. Demand for machinery in the arable and dairy sectors is likely to see a further small contraction. A perceptible market decline is also expected in the livestock farming segment, particularly for bedding and feeding equipment. The general slowdown in demand is likely to remain a concern for Kuhn Group in the current year. Brazil, which is in the throes of a persistent recession, will be one of the biggest challenges. Kuhn Group, which has set itself the goal of outperforming the market, is expecting a currency-adjusted decrease in sales, of the same order of magnitude as in 2015. Thanks to its flexible structures and further intensive efforts to control costs, the division expects to achieve an operating profit margin roughly on a par with the previous year.

Division management

Thierry Krier,
Division president

Dominique Schneider,
Finance and controlling

Jeannot Hironimus,
Business development

Jean-Luc Collin,
Production and research

Roland Rieger,
Sales and marketing

Didier Vallat,
Kuhn-Audureau SA

Dominique Devillers,
Kuhn-Blanchard SAS

Marc Peeters,
Kuhn-Geldrop B.V.

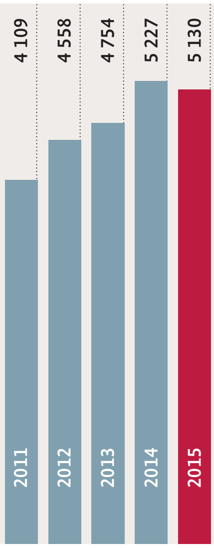
Hervé Arlot,
Kuhn-Huard SA

Greg Petras,
Kuhn North America

Mario Wagner,
Kuhn Brazil

At 8 March 2016

Average number of employees during year

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Bucher Municipal

Model training courses

The Latvian town of Ventspils has been home to a production site for high-quality sweepers since 2005. In addition to sheet metal forming, flawless welding is a key factor in the manufacture of sweeper kits. Bucher Municipal has sought new ways of meeting the need for locally based, skilled staff. In cooperation with the division, Ventspils Technical College has introduced courses for welders and machinists, based on the Swiss dual practical and theoretical approach. This successful model will secure the necessary skilled staff for the Latvian plant year after year, which in turn will ensure that first-class quality standards are upheld in sweeper manufacture.

1 Close collaboration between instructors and trainees is a key aspect of the training course model.

2 Bucher Municipal takes responsibility for the practical side of the course, along with five other industrial companies in the Ventspils district.

3 Compared with the situation in 2007 when Bucher Municipal had just three specialist workers at the site, the division can now rely on 90 qualified welders.

4 Having secured the availability of specialist staff, the plant is now turning out 1 100 sweeper hoppers every year.

Bucher Municipal

Activities Bucher Municipal is the European and Australian market leader in municipal vehicles for cleaning and clearing snow from roads and for refuse collection. It offers a wide range of compact and truck-mounted sweepers, winter maintenance equipment and refuse collection vehicles. The division has production facilities in Switzerland, Germany, Great Britain, Italy, Denmark, Latvia, Russia, the USA, Australia and South Korea.

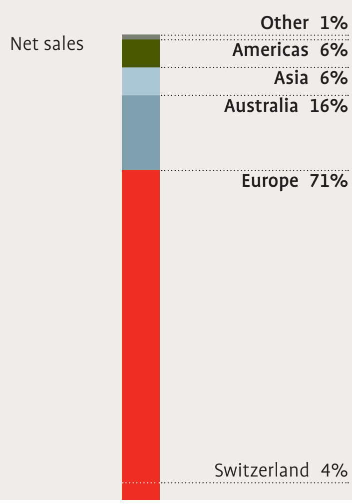
Highlights Overall, the European market for sweepers and winter maintenance equipment stagnated at a low level during the reporting year. Some positive momentum was evident in Gtreat Britain and the USA, however. The weak economy in Australia affected demand for refuse trucks in that market. Sales, which included a further major order from the city of Moscow, decreased by 8%, or 2% when adjusted for currency effects. Operating profit remained at the previous year's level despite significantly lower sales. The division accounted for 15% of group sales (2014: 15%).

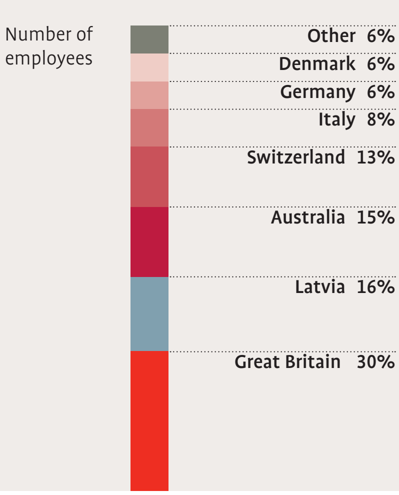
Key figures

CHF million			change in	
	2015	**2014**	**%**	**%** [1]
Order intake	373.8	415.6	−10.1	−3.7
Net sales	384.4	418.7	−8.2	−2.1
Order book	84.8	100.7	−15.8	−9.8
Operating profit (EBITDA)	40.3	39.9	1.0	
as % of net sales	10.5%	9.5%		
Operating profit (EBIT)	32.5	32.2	0.9	
as % of net sales	8.4%	7.7%		
Number of employees at 31 December	1 525	1 557	−2.1	
Average number of employees during year	1 569	1 582	−0.8	

[1] Adjusted for currency effects

Geographical analysis





Market trends There was no significant change in the market environment for Bucher Municipal in the reporting year. The market for sweepers remained at a low but stable level. Great Britain and the USA saw a gratifying increase in demand as a result of positive momentum in the economy and high rates of renewal required for vehicle fleets, especially among private service providers used by local authorities. In Australia, demand for refuse collection vehicles was affected by the subdued performance of the economy. Another mild winter in Europe meant that the market for winter maintenance equipment there remained stable at a low level. In Russia, business was constrained by the weak rouble, major financing difficulties affecting investments and the growing public sector budget deficit.

Business performance Bucher Municipal held up well in this difficult market environment and maintained its market shares. Order intake and sales fell only slightly once adjusted for currency effects. Business performance was bolstered by an order worth CHF 30 million from the city of Moscow for sweepers and winter maintenance equipment. This order was CHF 23 million lower than that of the previous year; it was supplied on schedule and paid in full during the reporting year. Not taking the major orders from 2014 and 2015 into account, Bucher Municipal would have seen a moderate increase in sales. Demand for sweepers in Great Britain and the USA was given an additional boost by the exceptionally high backlog of demand among private service providers working for local authorities. The order volume for refuse collection vehicles only began to rise towards the end of the year, so the corresponding deliveries will be made in 2016. The division increased its operating profit margin year on year. Good exploitation of capacity at the Dorking plant in Great Britain was a contributing factor in this.

Expansion in Latvia The Bucher Municipal plant in Ventspils, Latvia, reached the limits of its production capacity following increases in the vertical range of manufacture over the years. The division therefore expanded the site with the addition of a new 3 000 m^2 factory wing. The extension was completed in the spring of the reporting year. This measure significantly improved the flow of materials at the plant and enabled welding work which had previously been outsourced to be carried out on site. In addition, investments were made in new equipment and machinery. Another important initiative affecting the Ventspils site involved converting one hall of over 800 m^2 to incorporate the assembly line for the 1-m^3-compact sweepers, which had been relocated from Switzerland. The first 1-m^3-vehicle rolled off the production line in mid-November. Investment in the Ventspils site amounted to around CHF 8 million. Both projects were successfully completed according to plan during the reporting year.

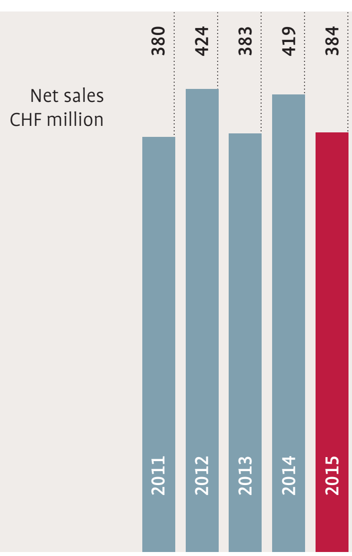
Functional organisation in the winter maintenance business In April of the reporting year, Bucher Municipal undertook a full reorganisation of the winter maintenance business. Along with restructuring the roles within the

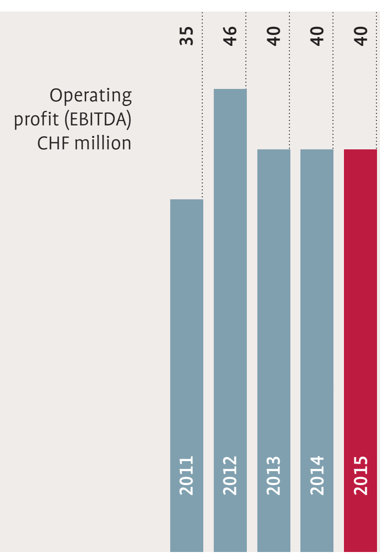
organisation, changes also focussed on the standardisation of processes and the integration and renewal of the information system. The standardised ERP system for all sites is based on the same processing, production and administration procedures. The standardised processes were a major factor contributing to the successful implementation of the new organisation. Furthermore, all production processes across the winter maintenance business were monitored and adapted to conform to lean manufacturing principles. This enabled Bucher Municipal to achieve the greatest possible degree of flexibility in the highly seasonal winter maintenance business and match its capacities swiftly to changing volumes.

Streamlining of sweeper manufacture In February 2016, the division announced that it was to transfer the manufacture of all truck-mounted sweepers to Dorking, Great Britain, and all compact sweepers to Ventspils, Latvia, while end-assembly in Niederweningen, Switzerland, would be shut down. This concentration will secure long-term competitiveness and cost leadership in a business where public tendering is a typical feature. The cost of the streamlining measures will be CHF 4 million and will be recognised in 2016 and 2017. The economies will amount to around CHF 6 million per year. The engineering, sales and service organisations of the Bucher and Johnston sweeper brands will remain untouched by the planned measures. Beam brand specialist sweepers will continue to be manufactured in Denmark.

Innovative electric spreader In 2014 the division presented the One-Electra, the first fully electric spreader, at the important IFAT exhibition in Munich. The innovative spreader was developed for series production in the reporting year and is due for launch in the current year once final field testing has been completed. The spreader is powered by electric motors and has no hydraulic system. This new product, unique in the winter maintenance industry, was developed by the division in collaboration with Turin Polytechnic and the University of Bologna. The new spreader's high-performance electric drive system achieves energy savings of up to 40% in comparison with a conventional hydraulic-drive vehicle. The electric spreader is also almost entirely noise-free – another big advantage when working in urban and residential areas.

Personnel In August 2015, after 15 years successful service as a member of group management and head of the Bucher Municipal division, Michael Häusermann decided to leave the Group to pursue a new professional challenge. Coen van Rosmalen, managing director of Johnston Sweepers Ltd, UK, took over as head of division on an ad interim basis until Aurelio Lemos was appointed the new head of Bucher Municipal, as of March 2016. It was possible to secure the services of Aurelio Lemos from the Group's own ranks, a manager with international experience and an outstanding track record. Aurelio Lemos was most recently managing director of Bucher Hydraulics Switzerland.





Outlook 2016 The high level of competitive pressure in Bucher Municipal's markets is expected to continue in the current year, which will again be strongly affected by overcapacity at sweeper manufacturers and the ongoing austerity measures imposed by local authorities. The market in Russia is likely to remain affected by recession, increases in import restrictions and the weak rouble. Nevertheless, a backlog of demand by local authorities such as that in Great Britain last year could see business pick up. The division cautiously anticipates the market for sweepers to remain stable at a low level, however. The recent mild winters in Europe have a negative effect on the winter maintenance business. The economic downturn in Australia is expected to continue. In this market environment the division expects 2016 to see sales hold up – without taking account of the CHF 30 million order from Moscow – and an EBIT margin on a par with that of 2015.

Division management

Aurelio Lemos,
Division president

Stefan Häni,
Finance and controlling

Thomas Dubach,
Business development

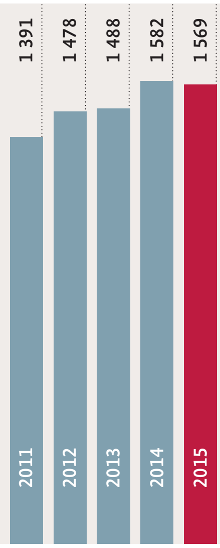
Peter Rhodes,
Sweepers

David Waldron,
Refuse collection vehicles

Guido Giletta,
Winter equipment

At 8 March 2016

Average number of employees during year

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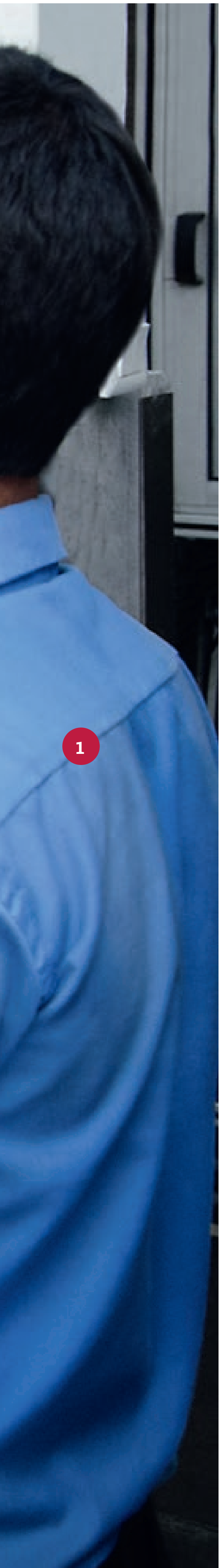


Bucher Hydraulics

Local solutions for first-class quality worldwide

Bucher Hydraulics produces high-quality valves and components in India for the local and global markets. Customised test benches play a pivotal role in achieving the highest international quality standards. The test benches have to be adapted to local working practices and designed for rapid reprogramming and local maintenance. To meet these requirements, Bucher Hydraulics developed customised test benches in India, relying mainly on the know-how of local employees and specialists. The results speak for themselves: the Indian plant now has the capability to meet high quality demands efficiently and at low cost. This is an important building block to further strengthen Bucher Hydraulics' position and presence in the Asian region.

1 Employees can rely on the test benches to meet all the specific inspection requirements.

2 Local test benches enable error-free operation and rapid reprogramming if adjustments are required.

3 Before delivery, the valves and components are tested for functionality, oil-pressure leaks, pressure and flow thresholds, and switching capacity.

4 Our high quality standards ensure that the components leaving the production site are of the highest quality and have outstanding functionality.

Bucher Hydraulics

Activities Bucher Hydraulics is a leading international manufacturer of customised hydraulic systems, which customers all over the world integrate into their products. The systems are designed to meet state-of-the-art standards of engineering, safety and quality. The wide range of products includes pumps, motors, valves, cylinders, power units, elevator drives and control systems with integrated electronics. With manufacturing facilities and distribution companies in Europe, the USA, Brazil, India and China, Bucher Hydraulics is close to its markets and customers around the world.

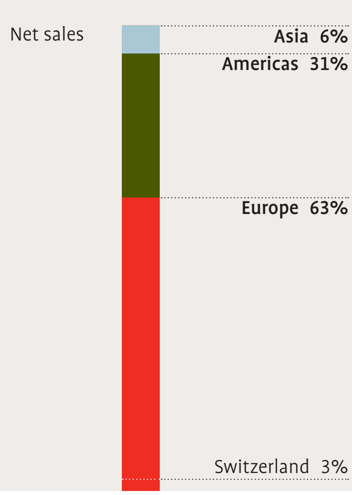
Highlights In the reporting year, developments in the markets served by Bucher Hydraulics presented a varied picture. In Europe, demand fell away slightly, whereas the American market benefited from positive momentum in the first half year, particularly in mobile hydraulics. The division was almost able to offset the continuing decline in the market for agricultural machinery thanks to new orders. In local currencies, sales increased by 1% and order intake fell by 1%. The operating profit margin improved significantly to 11.5%. The division accounted for 19% of group sales (2014: 17%).

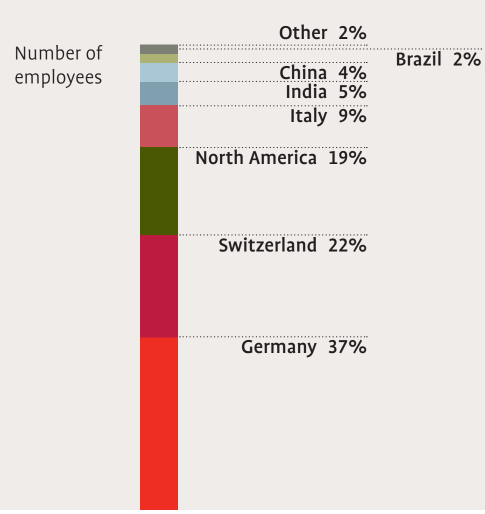
Key figures

CHF million			change in	
	2015	**2014**	**%**	**%** [1]
Order intake	461.1	484.5	– 4.8	– 0.6
Net sales	461.4	475.4	– 2.9	1.3
Order book	75.0	78.2	– 4.1	– 0.2
Operating profit (EBITDA)	71.9	68.4	5.1	
as % of net sales	15.6%	14.4%		
Operating profit (EBIT)	53.1	48.5	9.5	
as % of net sales	11.5%	10.2%		
Number of employees at 31 December	2 034	2 043	– 0.4	
Average number of employees during year	2 043	2 026	0.8	

[1] Adjusted for currency effects

Geographical analysis





Market conditions Developments in the markets served by Bucher Hydraulics presented a varied picture in the reporting year. In Europe demand fell away slightly, whereas America profited from a highly dynamic market in the first half year, especially in areas of application involving mobile hydraulics. This upturn tailed off again in the second half year. The sharp decline in the market for agricultural machinery continued to affect all regions. The construction machinery segment was buoyed by positive momentum in the first half year but also suffered a downturn in the second half. In Brazil, business was depressed both by the severe recession and the weakness of the Brazilian real. However, India saw an increase in demand in the domestic market as well as for exports, which Bucher Hydraulics was able to exploit thanks to its strong local presence.

Business performance In the reporting year, the business performance of Bucher Hydraulics was positive compared with the market environment. The division increased its sales and order intake fell slightly in local currencies. Bucher Hydraulics succeeded in countering the strong downward trend in the agricultural machinery segment both with new business in innovative system solutions and with products currently in series production. The good performance of handling and municipal equipment in the first half year also contributed to the positive business performance. As a result of good operating performance the division was able to increase its operating profit margin by 1.3 percentage points to 11.5%. The basis for this success was the consistent implementation of measures to increase efficiency and the very strict cost control imposed at all production sites.

Challenge of the strong franc The lifting of the euro exchange rate cap by the Swiss National Bank in January of the reporting year presented the two Bucher Hydraulics plants in Switzerland with major challenges. Cost cutting measures were therefore introduced without delay. These included imposing a complete hiring freeze with natural wastage, restructuring many work processes and a strict cost discipline. This greatly helped the Swiss plants to remain competitive. At the same time, collaboration with other Bucher Hydraulics locations outside Switzerland was also stepped up. These measures enabled the division to limit the negative impact of the strong Swiss franc. The Swiss plants will continue to focus on the trusted Swiss virtues, ongoing product innovation, consistent implementation of lean management processes, increased productivity and the automation of manufacturing processes.

Bucher Hydraulics management programme During the reporting year, Bucher Hydraulics conducted its new management programme designed to create a uniform management system across the division. Twenty-five members of management from Germany, Switzerland, the USA and Italy took part in the programme, with which the division laid the foundations for a common worlwide concept of management and leadership across the division. Working with an external institute,

the division devised an intensive training course over several days based on the management model established by the University of St. Gallen and adapted to the requirements of the division. The course dealt with basic topics as well as specific areas of management and leadership. The practical course was received very positively by the managers who took part. All Bucher Hydraulics management personnel worldwide will participate in the programme in the coming years.

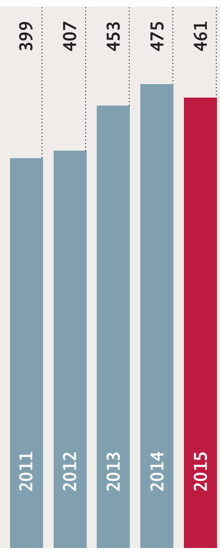
New building to expand product development at Klettgau During the reporting year, Bucher Hydraulics began work on another new building at its Klettgau site. Having completed work to significantly increase and modernise the production area in previous years, the division reinforced the product development department with the addition of another new building. All activities connected with the development of hydraulic products will be pooled in this new building.

Capacity expansion in North America completed Bucher Hydraulics completed the construction of a new building in Newaygo, Michigan, following investment by the division to expand capacity at the North American sites in previous years. Production got under way in the new hall in the first quarter of the reporting year – in time to respond to the high volume of orders received in the first half year. And in Elgin, Illinois, the division also commissioned a newly acquired building. This site provides ideal conditions in which to further increase local manufacturing of selected hydraulic valves and to expand the American distribution company.

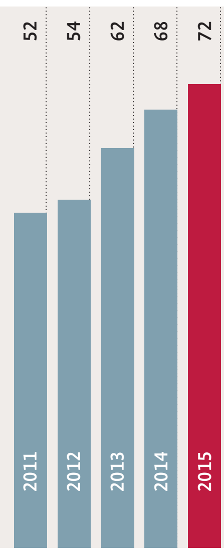
iValve During the reporting year, Bucher Hydraulics launched a new valve range under the name iValve. The product range, developed from scratch, is designed to be used in hydraulically powered passenger and goods lifts. The valve brings together extensive state-of-the-art electronics and sensor technology to create a truly intelligent hydraulic valve. It opened up a variety of new opportunities in the lift hydraulics market for Bucher Hydraulics. The valve can of course be parametrised remotely from a computer. Further intelligent functions make this valve a new reference point in the field of lift hydraulics.

Rebranding In September of the reporting year, Bucher Hydraulics introduced a new corporate design and logo and revamped its website. The new logo and corporate design emphasise the division's affiliation to the Bucher Industries Group and the revised website www.bucherhydraulics.com allows sales partners and customers to navigate quickly and easily around the site.

Net sales
CHF million



Operating
profit (EBITDA)
CHF million



Outlook 2016 Bucher Hydraulics anticipates a generally sideways development of its main markets for 2016. The downturn in the agricultural equipment market is expected to bottom out in 2016. The uncertain level of demand suggests that more pronounced and short-term fluctuations should be reckoned with. There is no upturn expected in China or Brazil, but in Europe and the USA there may be some slight growth, except in the market for agricultural equipment. Although the overall outlook for the market is not optimistic, Bucher Hydraulics anticipates for 2016 a moderate increase in sales and operating profits at the same level as 2015 thanks to further new business.

Division management

Daniel Waller,
Division president

Peter Minder,
Finance and controlling

Uwe Kronmüller,
Bucher Hydraulics Germany

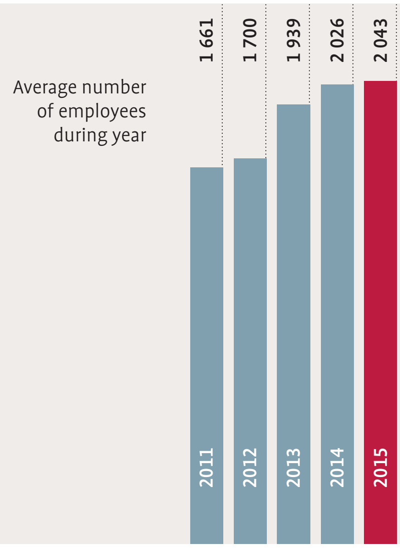
Daniel Waller ad interim,
Bucher Hydraulics Switzerland

Luca Bergonzini,
Bucher Hydraulics Italy

Dan Vaughan,
Bucher Hydraulics North America

Michael Leung,
Bucher Hydraulics China

At 8 March 2016

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Bucher Emhart Glass

Improving efficiency step by step

Sanjin, the joint venture of Bucher Emhart Glass in China, produces and assembles complex components for glass-forming machines. Workflows were reviewed and brought up to international standards to ensure continuous process and quality optimisation. Employees are now allocated a standardised workplace where they can efficiently carry out a specific part of the assembly process. They also check the quality of that part of the process, using the test benches integrated into their workplaces. This significantly reduces the error rate for the entire subassembly. It also greatly increases efficiency.

1 Standardised workplaces with specified workflows make it possible to start an activity right away, with the involvement of several workplaces, and assemble a complex component efficiently and error-free.

2 The assembly shop layout was redesigned to accommodate the new assembly workflows.

3 Every workplace is equipped with test bench facilities. Employees test the quality of their work themselves, identify potential improvements, gain confidence and experience greater job satisfaction.

4 In addition to their role in quality assurance, these modern test benches also capture statistical data for use in further process and product optimisation.

Bucher Emhart Glass

Activities Bucher Emhart Glass is the world's leading supplier of advanced technologies for manufacturing and inspecting glass containers. Its portfolio consists of glass-forming and inspection machinery, systems, components, spare parts, and advice and services for the glass container industry. Bucher Emhart Glass is headquartered in Switzerland; its manufacturing facilities are located in Sweden, the USA, China and Malaysia. The research and development centre is in the USA.

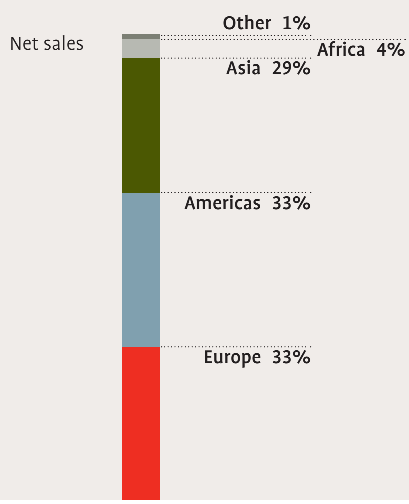
Highlights The reporting year did not see any significant change in the market for glass-forming and inspection machinery. Business picked up after a slow start and Bucher Emhart Glass performed well. Underpinned by brisk demand from South America, order intake showed a marked improvement in terms of local currencies, rising to 21%. Sales also improved, increasing by 2%. The operating profit margin improved, reaching 6.6%. The division accounted for 14% of group sales (2014: 14%).

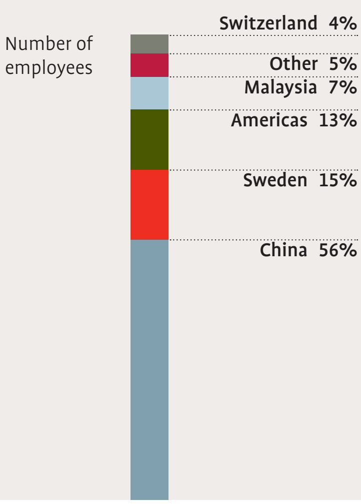
Key figures

CHF million			change in	
	2015	**2014**	**%**	**%** [1]
Order intake	399.6	367.0	8.9	20.8
Net sales	359.8	389.2	−7.6	2.0
Order book	126.3	95.1	32.8	48.5
Operating profit (EBITDA)	35.6	27.6	29.0	
as % of net sales	9.9%	7.1%		
Operating profit (EBIT)	23.8	15.2	56.6	
as % of net sales	6.6%	3.9%		
Number of employees at 31 December	1 819	1 890	−3.8	
Average number of employees during year	1 837	1 894	−3.0	

[1] Adjusted for currency effects

Geographical analysis



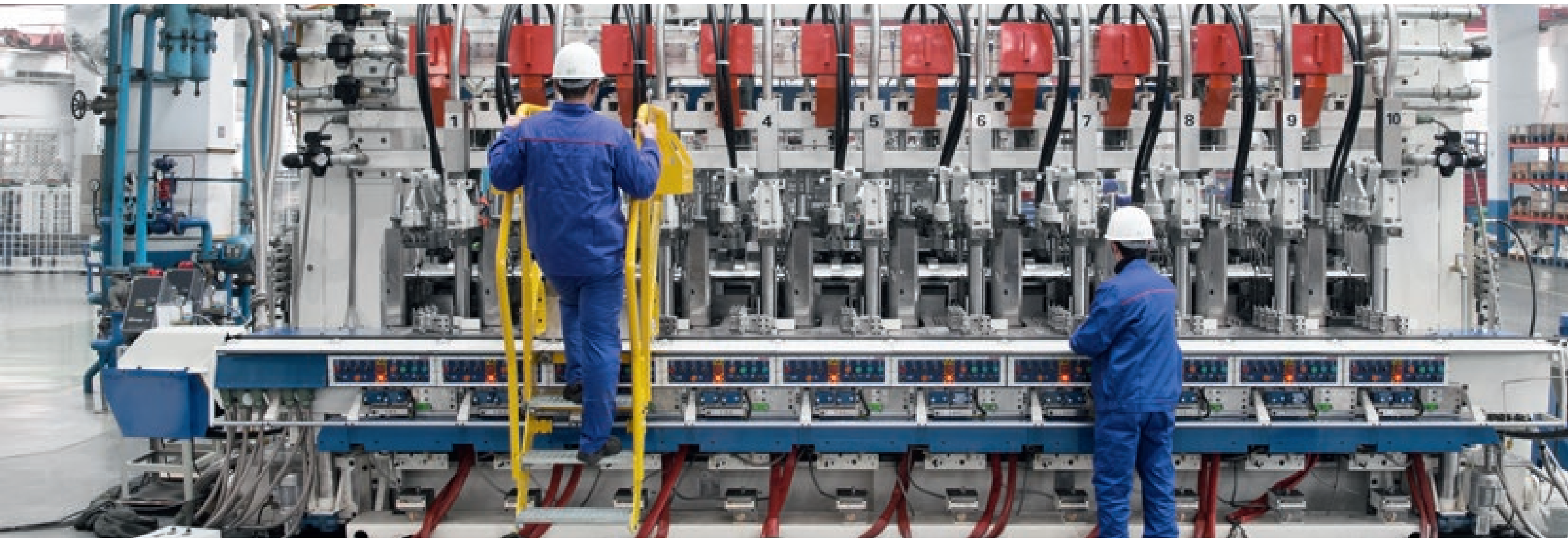


Market environment The reporting year did not see any significant change in the market for glass-forming and inspection machinery. There was positive impetus from South America, where major beer brewers invested in glass container production. In Europe, the project business remained stable at a moderate level, while in the Middle East it declined owing to the political situation. The Chinese market, which is characterised by surplus capacity, remained stable at a low level.

Business performance Bucher Emhart Glass started 2015 with a low order book and the first few months of the year saw weak demand. However, the business with glass-forming and inspection machinery improved steadily during the course of the year, and the division held up well on the whole. After currency adjustments, order intake showed a marked improvement and sales also increased. The market in Latin America, particularly Mexico, was an important driver because major beer brewers invested in the production of glass bottles in their own plants. By contrast, the market for glass inspection machinery weakened after several very good years. The buoyant spare parts business at Bucher Emhart Glass, by contrast, profited from the division's broad base of installed machinery, which has expanded significantly in recent years. Nevertheless, Bucher Emhart Glass succeeded in significantly improving the operating profit margin by 2.7 percentage points to 6.6%. This improvement was the result of several years' effort to realign the division, strengthen the locations in Malaysia and China, further optimise processes, and the good cooperation with O-I.

New generation of inspection machinery In the reporting year, Bucher Emhart Glass developed a completely new and innovative generation of inspection machinery. The machines are equipped with newly developed image evaluation software, built around state-of-the-art algorithms for identifying defects in the glass and programming the defect criteria. This makes operation intuitive and much easier. The machines are also equipped with a completely new patented method for efficient, laser-assisted detection of cracks in the glass. In these areas the division's innovative inspection machinery is setting new standards in the glass industry. All the field tests were very positive. The various models of new inspection machinery, set for market launch during the first half of 2016, should bring fresh momentum to this product segment.

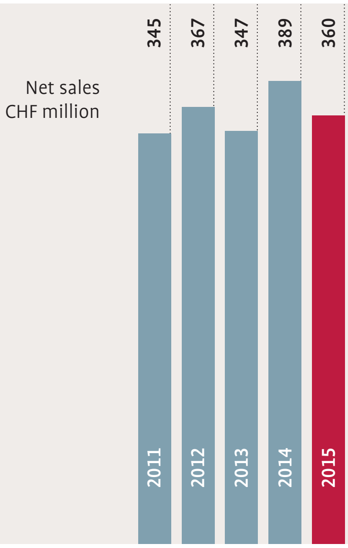
New production plant in Elmira, USA In the reporting year, Bucher Emhart Glass planned a new production plant for inspection machinery, complete with offices, at the existing site in Elmira, New York. The overall investment volume was around USD 7 million. Of this total, USD 3 million was invested in the purchase of a building with a production area of 8 600 m². The manufacturing plant will be fitted out during the first half of the current year. The building will be ready to begin operations in time for the start of series production of the latest gen-

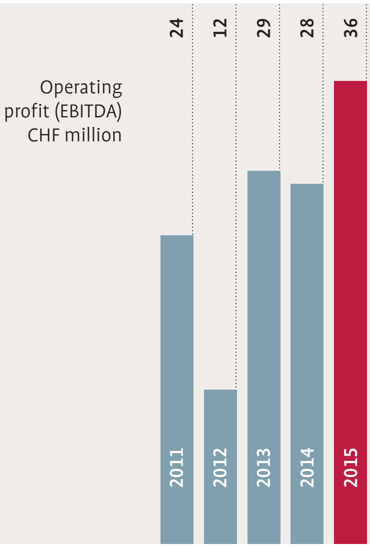


eration of inspection machinery and the move will take place in the third quarter of 2016. The new inspection machinery will be made in a significantly more modern and efficient environment than in the previous production building, offering employees a high level of workplace comfort.

Tempered glass In the reporting year, Bucher Emhart Glass successfully validated the production process for tempered glass containers and specified the quality criteria. Working in close cooperation with Vetropack, the division thereby fulfilled the conditions for a limited market launch of tempered glass bottles. Process validation included the proof that tempered glass containers can be manufactured in the required quality and volume, constantly and in a stable process. Furthermore, Bucher Emhart Glass specified quality parameters for tempered glass containers and proved, by means of comprehensive risk analysis and extensive testing, that there are no additional risks compared with traditional glass bottles. On the strength of these encouraging results, the division is planning a limited market introduction of tempered glass bottles, in collaboration with Vetropack, in the current year.

Sanjin Since the start of the joint venture between Bucher Emhart Glass and Sanjin, intensive investment in the modernisation of the site has been ongoing. Expenditure in the reporting year totalled around CHF 3 million, mainly comprising investment in modern production machinery and systems. At the same time, the regular presence of production and quality experts ensured the know-how transfer which resulted in a significant improvement in productivity and product quality. The introduction of lean manufacturing processes for the assembly of sections ensures efficiency and high, consistent quality of the assembled mechanisms. These measures further consolidated Sanjin's leadership role in the Chinese glass container industry. To a great extent, Bucher Emhart Glass successfully completed the four-year investment phase with capital expenditure totalling CHF 17 million. In the current business year, the focus has increasingly shifted to optimisation of cost structures and internal processes.





Outlook 2016 Bucher Emhart Glass does not expect any significant changes in the market dynamics for the 2016 reporting year. In Europe and America, the market should remain stable. The economy in China is not expected to recover. The market launch of a new generation of inspection machinery and the cooperation with O-I should continue to have a positive impact on performance at Bucher Emhart Glass. The measures relating to realignment of the division implemented in 2015 should continue to have a positive impact in the current year. Bucher Emhart Glass is therefore expecting modest sales growth and a further improvement in profitability.

Division management

Martin Jetter,
Division president

Reto Semadeni,
Finance and controlling

Matthias Kümmerle,
Technology

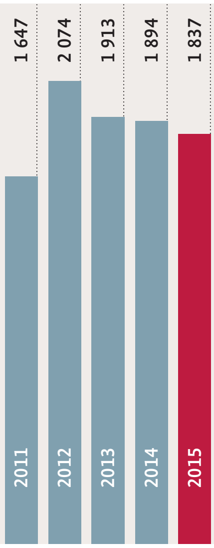
Edward Munz,
Logistics and manufacturing

Werner Gessner,
Sales and marketing, after-sales service

Mike Curry,
Inspection business

At 8 March 2016

Average number of employees during year

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2
3

Bucher Specials

The art of focusing

Jetter develops, produces and plans automation solutions. Sanjin, the joint venture of Bucher Emhart Glass in China, chose Jetter as its supplier for a new control and drive system. The system had to be geared to the Chinese machines and pitched at a competitive price. To meet this requirement, Jetter Automation Technology (Shanghai) Co., Ltd integrated low-cost components from Taiwan and China into the control system. Local employees were responsible for the re-engineering. The control and drive solution developed by Jetter features reduced electronics, with its functions focused on the essentials, in line with local customer requirements. Jetter's achievement was to develop a control system of high quality and functionality that could compete in the cost-conscious Chinese market.

1 The Chinese market requires low-cost automation solutions that focus on essential functions.

2 Greatly simplified circuitry with fewer components and functions reduce the costs.

3 Jetter Shanghai's cooperation with local partners connects Chinese application know-how with international technology.

4 Thanks to the new control system, Sanjin will have the capacity to significantly increase the productivity of glass-forming machinery.

Bucher Specials

Activities Bucher Specials comprises machinery and equipment for winemaking (Bucher Vaslin), equipment and technologies for processing fruit juice, beer and instant products and for dewatering sewage sludge (Bucher Unipektin), a Swiss distributorship for tractors and specialised agricultural machinery (Bucher Landtechnik), and control systems for automation technology (Jetter).

Highlights In varying market conditions, Bucher Specials experienced a significant decline in order intake, sales and operating profit. This development was fuelled by the massive slump in project business with equipment for fruit juice and beer production and by currency influences due to the strong Swiss franc. Adjusted for currency effects, order intake declined by 16% and sales by 11%. The operating profit margin was 5.0%. Bucher Specials accounted for 9% of group sales (2014: 11%).

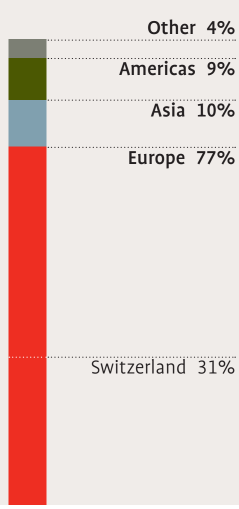
Key figures

CHF million			change in	
	2015	**2014**	**%**	**% 1)**
Order intake	237.7	299.3	−20.6	−16.1
Net sales	257.2	304.5	−15.5	−11.2
Order book	50.7	72.9	−30.5	−26.6
Operating profit (EBITDA)	19.8	34.7	−42.9	
as % of net sales	7.7%	11.4%		
Operating profit (EBIT)	12.9	27.1	−52.4	
as % of net sales	5.0%	8.9%		
Number of employees at 31 December	802	793	1.1	
Average number of employees during year	844	840	0.5	

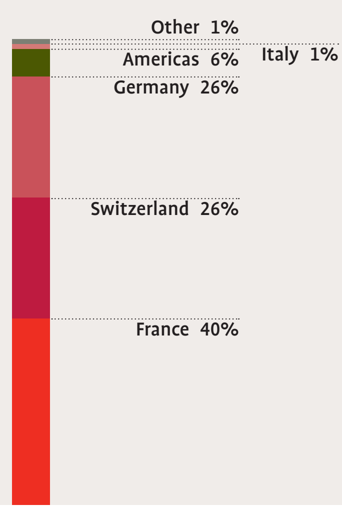
1) Adjusted for currency effects

Geographical analysis

Net sales



Number of employees



Diverse market conditions The market for winemaking equipment returned to more normal levels compared with the very brisk demand seen the previous year. Competitive pressure in the fruit juice processing equipment segment increased due to the strength of the Swiss franc and the uncertain economic situation. The worldwide beer market declined for the first time since 1992. The market for industrial and mobile automation remained stable overall.

Downturn in performance The market for winemaking equipment returned to more normal levels compared with the very brisk demand seen the previous year. Beverage technologies were adversely affected by numerous project delays, particularly in Eastern Europe, Russia, the Ukraine and China, as well as a worldwide decline in beer consumption and currency influences due to the impact of the strong the Swiss franc. As a result, Bucher Specials saw order intake fall by 16% and sales by 11% after currency adjustments. The operating profit margin was 5.0%. The good performance of the Swiss distributorship for tractors and agricultural machinery, which benefitted from rapidly passing on the euro advantage to customers, and the stable evolution of automation technology were unable to counteract this trend.

Bucher Vaslin

Normalisation of demand Demand for winemaking equipment returned to more normal levels in 2015 compared with the very good performance the previous year. In France, wine producers were somewhat more restrained in their investment behaviour because of uncertainties arising from changes in the EU subsidy programmes. On the other hand, there was very encouraging demand growth in South America and the spare parts business. Overall, sales were slightly down on the previous year.

Process optimisation In the reporting year, Bucher Vaslin concentrated on increasing the efficiency of internal processes. Project workflows were optimised and saved in the ERP system, and an ERP-supported production process was fully implemented in the fourth quarter following successful testing. A further project concerned the streamlining of internal processes in order planning, which significantly speeded up production adaptations.

Bucher Unipektin

Slump in demand The reporting year saw a sharp fall in demand for Bucher Unipektin's equipment for fruit juice production and beer filtration. Low economic growth in Europe and Asia, political instability in Russia and the Ukraine, and the first slight downturn in worldwide beer consumption unsettled many beverage producers. As a result, Bucher Unipektin was adversely affected by

delays to a series of customer projects and a massive drop in sales of around 30%. In addition, the two Swiss plants had to contend with the effects of the strong Swiss franc, which resulted overall in a collapse in operating profit. Bucher Unipektin reacted to this situation by introducing strict cost controls and initiatives to increase efficiency and by making use of more cost-efficient sources of procurement.

New test centre In May of the reporting year, Bucher Unipektin began work on construction of a test centre in Niederweningen, Switzerland, whose purpose is to integrate different test stations in a single building. An existing building was subdivided into various rooms and an additional storey built on. The new test centre was fitted out with appropriate advanced technology. The reconstruction was completed in January 2016 and the technical centre will be ready for operation at the end of March 2016. The investment volume was around CHF 1 million.

Bucher Landtechnik

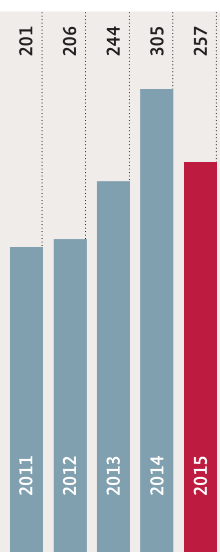
Pleasing development The impact of the global slowdown in agriculture was also felt in the Swiss farming sector. Bucher Landtechnik successfully counteracted this trend with a timely adjustment of prices, passing the euro advantage on to customers. This led to increased demand and Bucher Landtechnik was able to close the reporting year on a high note thanks to its very good position in the Swiss market. One-off currency effects from hedging transactions had a negative impact on operating profit.

Extension of the product range In the reporting year, Bucher Landtechnik extended its product offering, adding a Weidemann-branded all-electric farm loader. Known as the 1160 eHoftrac, it features reduced emissions of CO_2, noise and soot particles, and a rechargeable battery which requires only a 400 V electric power source. The two separate electric motors serve to power the transmission drive and the working hydraulics respectively, reducing energy consumption. Bucher Landtechnik is offering customers the accustomed operational features and capabilities of a farm loader, combined with state-of-the-art technology and an eco-friendly, cost-efficient electrical drive.

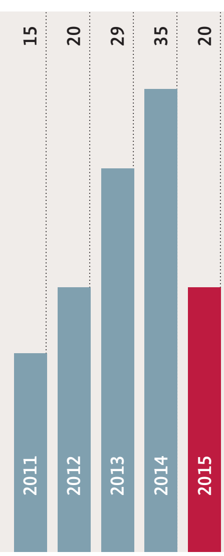
Jetter

Pleasing sales growth In the reporting year, Jetter concentrated its activities on the key segment of mobile and industrial automation. The market for sophisticated control systems remained stable overall. However, Jetter was able to bring a positive impetus to sales thanks to its innovative product range and closeness to customers. Projects within the Bucher Group developed very promisingly. Measures to increase productivity, first introduced in 2014, bore their first fruit in the reporting year.

Net sales
CHF million



Operating
profit (EBITDA)
CHF million



New generation of Press Process Control In the reporting year, Jetter worked in close cooperation with Bucher Emhart Glass to produce customised Press Process Control (PPC) upgrades for machinery for manufacturing glass containers. PPC is a measuring device comprising several modules. The measurements provide direct feedback on the glass-forming process and therefore the quality of the glass container. PPC can also alert the glass machine control system to the presence of a suspected faulty container and initiate its removal, thereby improving the quality of the output. Jetter is planning to use this retrofitting exercise to integrate further attractive functions into the product. Product realisation is planned for 2016.

Outlook 2016 Demand for winemaking equipment is not expected to change significantly. The business with equipment and technologies for processing fruit juice and beer could recover from the low of the previous year if delayed projects are realised. However, given the project-oriented character of the business, it is likely to remain volatile. The Swiss distributorship for tractors and agricultural machinery is expecting a slight downturn in sales due to the falling away of the euro advantage and general decline in the agricultural sector. The negative impact of currency effects from hedging transactions in the previous year will no longer be felt. The business with control systems is expecting sales growth in both the industrial and mobile automation segments. For 2016 as a whole, Bucher Specials expects a modest rise in sales and a much improved operating profit.

Division management

Stefan Düring,
Division president

Bruno Estienne,
Bucher Vaslin

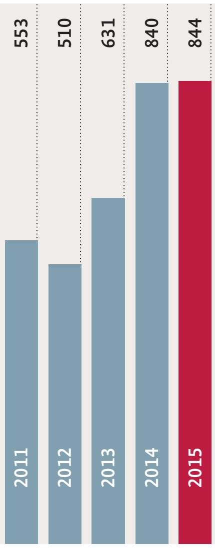
Hartmut Haverland,
Bucher Unipektin

Jürg Minger,
Bucher Landtechnik

Christian Benz,
Jetter

At 8 March 2016

Average number of employees during year



Group management

Stefan Düring
Bucher Specials

Martin Jetter
Bucher Emhart Glass

Aurelio Lemos
Bucher Municipal

Daniel Waller
Bucher Hydraulics

Thierry Krier
Kuhn Group

Philip Mosimann
Chief Executive Officer
(until 15 April 2016)

Jacques Sanche
Chief Executive Officer
(as of 16 April 2016)

Roger Baillod
Chief Financial Officer

Corporate Governance

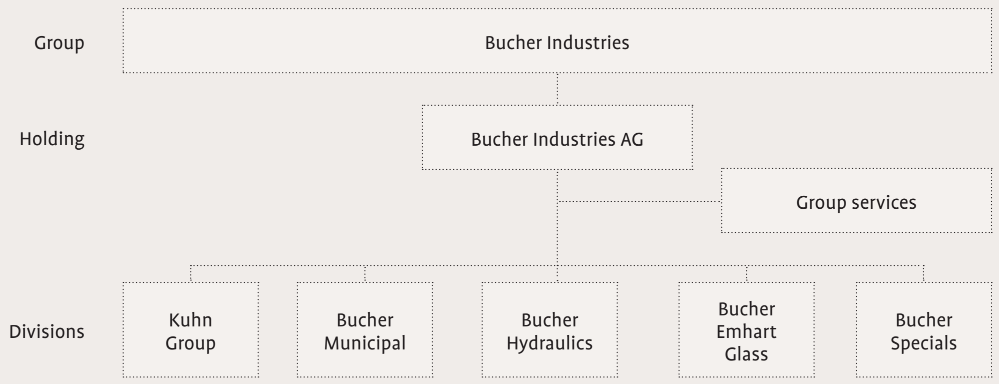
This report complies with the SIX Swiss Exchange Corporate Governance Directive effective on 1 October 2014, where applicable to Bucher Industries. Unless otherwise stated, the information presented reflects the situation on 31 December 2015.

Group structure and shareholders

Operational group structure The Bucher Industries Group is organised in five divisions. The divisions comprise: specialised agricultural machinery (Kuhn Group); municipal vehicles (Bucher Municipal); hydraulic components (Bucher Hydraulics); manufacturing equipment for the glass container industry (Bucher Emhart Glass); equipment for making wine, fruit juice, instant products and beer, and for dewatering sewage sludge, a Swiss distributorship for tractors and agricultural machinery, and control systems for automation technology (Bucher Specials). At Group level, a corporate centre provides finance and controlling, group development, legal and communications functions to support the Group and its companies in their activities. The Group's operational structure is shown in the chart below and detailed segment information is presented in the notes to the consolidated financial statements on pages 82 to 84 of this annual report.

Group companies and consolidation Bucher Industries AG incorporated in Niederweningen, Switzerland, is the Group's holding company. Its registered shares are listed on the main board of the SIX Swiss Exchange and also traded on the over-the-counter markets of the Frankfurt, Stuttgart, Berlin and Xetra exchanges. Details are given in the information for investors section on pages 8 and 9 of this annual report. The consolidation includes all group companies owned directly or indirectly by the holding company. The principal Group companies are listed on pages 110 to 112 of this annual report. None of the companies is listed on a stock exchange.

Shareholder The registered shares are widely held by public shareholders. A group of shareholders organised under a shareholders' agreement, represented by Rudolf Hauser, Zurich, holds a total of 35.2% of the voting rights, as published in the latest Swiss Official Gazette of Commerce (SOGC) on 10 May 2005 and subsequent to the share capital reduction in June 2012. The essence of the shareholders' agreement and the number of shares held by individual Group members have not been published. According to the information available to Bucher Industries the following persons held a stake in the registered share capital of Bucher Industries AG of more than 3%: according to disclosure notifications submitted to the SIX Swiss Exchange platform on 5 July 2011, Black Rock Inc., 40 East 52nd Street, New York, 10022, USA, directly or indirectly via various subsidiaries; and according to disclosure notifications of 24 April



2015 the Harris Associates Investment Trust, 111 S. Wacker Drive, Suite 4600, Chicago, IL, directly for Oakmark International Small Cap Fund, 111 S. Wacker Drive, Suite 4600, Chicago, IL 60606, USA. This and earlier notifications can be viewed via the SIX Swiss Exchange website. At the reporting date, the board of Bucher Industries AG is not aware of any other shareholders entered in the share register and with voting rights, or groups of shareholders subject to voting agreements, who hold more than 3% of the issued share capital.
www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

There are no cross-shareholdings between Bucher Industries AG and other companies.

Capital structure

Capital The issued share capital of Bucher Industries AG stands at CHF 2 050 000. The Corporation's share capital is CHF 2 050 000 composed of 10 250 000 registered shares at a par value of CHF 0.20. Bucher Industries AG has conditional, authorised but unissued capital up to a maximum of CHF 236 820. There is no additional authorised capital.

Conditional authorised but unissued capital The share capital of Bucher Industries AG may be increased by a maximum of CHF 236 820 through the issuance of up to 1 184 100 registered shares with a par value of CHF 0.20 each. The conditional authorised but unissued capital is reserved for the exercise of warrants or conversion rights attached to bonds and of rights issued to shareholders. Shareholders have no pre-emption rights. Holders of warrants, options or conversion rights are entitled to subscribe for new shares. No such rights are outstanding at present. Warrant or conversion terms are determined by the board of directors. The board is authorised to disapply shareholders' pre-emption rights for good cause, as provided in art. 653c par. 2 of the Swiss Code of Obligations. In such cases, the board is responsible for specifying the structure, life and amount of the issue as well as the warrant or conversion terms according to market conditions at the time of issue.

Changes in capital There were no changes in capital in the last three reporting years.

Shares Bucher Industries AG has an issued share capital of CHF 2 050 000, divided into 10 250 000 registered shares with a par value of CHF 0.20 each. All shares are fully paid-up and rank for dividend. Each share carries one vote at general meetings of shareholders. Bucher Industries AG has not issued any participation or profit sharing certificates.

Restrictions on transferability The company's registered shares are not subject to any restrictions on ownership or transferability. Pursuant to the articles of association of Bucher Industries, the board has established principles for the registration of nominees. Persons who do not expressly state in the application for registration that the shares are held for their own account (hereinafter "nominees") will be recorded in the share register as shareholders with voting rights up to a maximum of 2% of the share capital then outstanding, provided that such persons have previously entered into a nominee agreement with Bucher Industries AG. If the 2% threshold is exceeded, registered shares held by nominees will be entered with voting rights only if the nominee agrees in writing to disclose the names, addresses and shareholdings of the persons for whose account the nominee holds 0.5% or more of the share capital then outstanding. The 2% threshold also applies to nominees who are affiliated by capital or votes, through common management or otherwise.

Convertible bonds and share options Bucher Industries AG has no outstanding convertible bonds. Share options granted to members of the group management, division and segment management and selected specialists under the share option plan are shown on page 61 of this annual report. The shares required to meet awards were acquired from the portfolio of Bucher Beteiligungs-Stiftung.

Board of directors

Members

Rolf Broglie **1947**, Swiss citizen, industrialist; member of the board since **1996** and chairman since **2011** ‣ **1995–2009** Prografica AG, Glattbrugg, delegate of the board ‣ **1983–2012** Chromos AG, Glattbrugg, managing director ‣ **1972** Chromos AG, Glattbrugg ‣ **Other appointments** Chairman of board of directors, Prografica AG, Glattbrugg.

Anita Hauser **1969**, Swiss citizen, degree in public affairs (lic. rer. publ.) from HSG University of St. Gallen, MBA INSEAD, Fontainebleau; member of the board since **2007** ‣ Since **2012** Magenta Management AG, Zurich, managing director ‣ **2010** EF Education First AG, Lucerne, marketing director ‣ **2005** EF Education AG, Zurich, country manager ‣ **2000** Lindt & Sprüngli (International) AG, Kilchberg, international marketing manager ‣ **1993–1998** Unilever, Zug and Milan, European brand manager ‣ **Other appointments** Member of the board, AMAG Automobil- und Motoren AG, Zurich.

Ernst Bärtschi **1952**, Swiss citizen, degree in economics (lic. oec.) from HSG University of St. Gallen; member of the board since **2005** ‣ **2005–2011** Sika AG, Baar, chief executive officer ‣ **2002** Sika AG, Baar, chief financial officer ‣ **1997** Schindler Group, chief financial officer ‣ **1994** Schindler Aufzüge AG, managing director ‣ **1980** Schindler Management AG ‣ **Other appointments** Chairmen of the board of Conzzeta AG, Zurich, and member of the board of CRH plc, Dublin, Ireland.

Claude R. Cornaz **1961**, Swiss citizen, degree in mechanical engineering (dipl. Ing.) from Swiss Federal Institute of Technology (ETH) Zurich; member of the board since **2002** ‣ Since **2000** Vetropack Holding AG, Bülach, delegate of the board and chief executive officer ‣ **1993** Vetropack Holding AG, Bülach ‣ **1989** Nestec SA, Vevey ‣ **1987** Contraves AG, Zurich ‣ **Other appointments** Deputy chairman of H. Goessler AG, Zurich, and member of the board of Glas Trösch Holding AG, Bützberg.

Michael Hauser **1972**, Swiss citizen, degree in mechanical engineering (dipl. Ing.) from Swiss Federal Institute of Technology (ETH) Zurich, MBA INSEAD, Singapore/Fontainebleau; member of the board since **2011** ‣ Since **2013** buico GmbH, Austria, managing director ‣ **2009–2011** Strabag Energietechnik, Austria, managing director ‣ **2006** hs energieanlagen, Germany, member of management ‣ **2003** Alstom/ABB, head of commissioning gas turbine power stations ‣ **1998** Alstom/ABB, commissioning of gas turbines ‣ No other appointments or commitments.

Heinrich Spoerry **1951**, Swiss citizen, degree in economics (lic. oec.) from HSG University of St. Gallen; member of the board since **2006** ‣ **1998–2015** SFS Group, Heerbrugg, chairman and chief executive officer ‣ **1987** Staefa Control System AG, Cerberus AG, Männedorf, member of the management ‣ **1981** SFS Group, Heerbrugg, head of management services ‣ **1979** Boston Consulting Group, Munich ‣ **Other appointments** Chairman of the board, SFS Group, Heerbrugg, and Mikron AG, Biel, member of the board, Frutiger AG, Thun.

Valentin Vogt **1960**, Swiss citizen, degree in economics (lic. oec.) from HSG University of St. Gallen; member of the board since **2014** ‣ **2000–2011** Burckhardt Compression AG, Winterthur, chief executive officer and delegate of the board ‣ **1992** Sulzer Metco AG, Switzerland, managing director ‣ **1989** Sulzer Metco Division, Switzerland, CFO ‣ **1986** Alloy Metals, USA, CFO ‣ **1985** Sulzer AG, Switzerland, financial controller ‣ **Other appointments** Chairman of the board, Burckhardt Compression Holding AG, Winterthur, member of the board, Kistler Holding AG, Switzerland, member of the board, Ernst Göhner Stiftung Beteiligungen AG, Switzerland, and charmain of the Swiss Employers' Confederation, Switzerland.

Independence All directors are non-executive and independent, i. e. they do not perform any operational functions, have not been members of the management of Bucher Industries within the last three years and have no material business relationship with the Group.

Elections and terms of office On 14 April 2015 of the reporting year, the directors, the board chairman and the members of the compensation committee were elected by the annual general meeting up until the close of the next annual general meeting. Re-election of office of the directors are restricted. They are required to retire no later than at the first annual general meeting of shareholders after reaching the age of 70. The persons listed in the table below were elected in the reporting year.

Number of admissible activities (external appointments) Members of the board of directors may exercise a maximum of four appointments in listed companies and no more than ten in unlisted legal entities as a member of the senior management or administrative body. Appointments in companies that are linked, but outside the Group, as well as appointments that are held in connection with the exercise of such a function, count as one appointment, as long as no more than 30 appointments in all are held with such linked companies. Pro bono appointments are not subject to the above-mentioned restrictions. However no member of the board of directors may hold more than 20 such appointments. This regulation corresponds to Art, 29 of Bucher Industries AG's articles of association.

Internal organisation The board determines the strategic direction and oversees the management of the company as provided in the Swiss Code of Obligations, in the articles of association and internal rules of organisation, an abridged version of which is available on the Bucher website. It meets as often as business requires, holding at least six scheduled meetings each year, which generally take place every two months. The meetings are usually attended by the CEO, the CFO and by other members of group management, members of division and segment management or specialists, depending on the items on the agenda. The secretary to the board takes minutes of the proceedings and resolutions. The meetings usually last one day; the annual strategy meeting lasts two days. In the reporting year, there were eight meetings; one was a component of a six-day strategy trip to Asia and two were conference call. All the meetings in the reporting year were attended by all board members, the CEO and the CFO.
www.bucherindustries.com/en/investor-relations/corporate-governance

Name	Year	Position	Appointed	Committees	
Board of directors				Audit	Compensation
Rolf Broglie	1947	chairman	1996		
Anita Hauser	1969	deputy chairman	2007		×
Ernst Bärtschi	1952		2005	×	
Claude R. Cornaz	1961		2002		×
Michael Hauser	1972		2011	×	
Heinrich Spoerry	1951		2006	C	
Valentin Vogt	1960		2014		C

All directors are non-executive and independent. (C = chairman)

Committees To assist with its responsibilities, the board of directors has an audit committee and a compensation committee appointed from among its members. The duties and responsibilities of audit committee are described below, as well as on the Bucher website in the summary of the internal rules of organisation (Rules of Organisation), those of the remuneration committee in the remuneration report on pages 54 to 61 of this annual report. The committees report to the board of directors on their activities, results and proposals. The board has overall responsibility for the duties assigned to the committees. Committee members hold office on an annual basis from one annual general meeting until the next annual general meeting. Proceedings and resolutions of committee meetings are recorded in minutes.
www.bucherindustries.com/en/investor-relations/corporate-governance

Audit committee On 14 April 2015, the composition of the audit committee was confirmed by the board of directors as follows: Heinrich Spoerry, chairman, Ernst Bärtschi and Michael Hauser. All of its members are non-executive and independent. The audit committee meets at least three times a year. A meeting generally lasts half a day. The chairman of the board, CEO and CFO attend the meetings in an advisory capacity. Depending on the items on the agenda, the internal or external auditors, members of group, division and segment management or specialists are consulted. Four meetings were held last year. The members of the audit committee, the chairman of the board, the CEO and CFO were present at all the meetings. In the reporting year, the meetings focused on the analysis of cyber-security risks, the categorisation of intangible assets, and on the following scheduled duties. The audit committee prepares a comprehensive and efficient group audit concept, proposes it to the board of directors and then monitors its implementation. It determines key areas of the audit plan for the external and internal audits, receives reports from the auditors and appoints the head of the internal audit function, who reports to the chairman of the audit committee. For a preliminary decision, the audit committee evaluates the independence and performance of the external and internal auditors and finally determines the level of their remuneration. The audit committee's role includes preparing the board's proposal for the appointment of the auditors, reviewing the organisation of the accounting system, ensuring the Group's financial controls and financial planning and reviewing the plans, budgets and financial statements of the Group and its group companies, including individual projects involving significant commitment of capital. In the reporting year, the external audit plan focused on the areas of production and warehousing. The external auditors also focused on in-depth assessment of internal controls in the areas of IT controls and authority and responsibility reporting at company level. The external auditors attended two meetings of the remuneration committee. Internal audit carries out audits in the Group in accordance with the audit concept proposed by the audit committee and determined by the board. The chairman of the audit committee agrees the audit programme with the chairman of the board. The coordination and implementation of audits is delegated to the CFO. The internal audit work is contracted out externally. The head of internal audit function reports to the chairman of the audit committee. The internal audit function reports the results of its audits to the audit committee at a minimum of one meeting each year. The internal audit plan focused on comprehensive verification and evaluation of the internal control system processes at several group companies as well as the analysis of cyber-security risks. In the year under review, three meetings took place with the internal auditors.

Compensation committee Information about the remuneration committee is shown in the remuneration report, see pages 54 and 61 of this annual report.

Authority and responsibility The board has delegated the Group's operational management to the CEO, the CFO and other group management members. Their authority and responsibilities are set out in the internal rules of organisation. An abridged version of the rules of organisation is available as a PDF document on the Bucher website. The board oversees the operational management.
www.bucherindustries.com/en/investor-relations/corporate-governance

Information and control systems relating to group management As part of the management information system, the board receives monthly key figures, consolidated financial statements and management comments from group management, providing information on operational performance and performance indicators within the Group, divisions, segments and major group companies. At each meeting, the board is also informed about the course of business, important projects and risks. Once a year, it conducts an in-depth assessment of the Group's risk situation on the basis of a risk report prepared under the direction of the CEO, with the participation of members of group management and group services. Written proposals are prepared under the direction of the CEO for any major projects requiring a board decision. In addition to the chairman, one member of the board can attend each of the annual divisional strategy reviews, which are led by the CEO, in order to gain greater insight into the business. In the reporting year, the chairman of the board took part in four strategy meetings, accompanied at the reviews by a further member of the board on three occasions. The board of directors is also supported in its supervisory and control function by internal audit and the external auditors.

Group management

Members

Philip Mosimann **1954**, Swiss citizen, master degree in mechanical engineering (dipl. Ing.) from Swiss Federal Institute of Technology (ETH) Zurich; **2002–2016** chief executive officer and **2001** chief executive officer designate ▸ **1997** Sulzer AG, Winterthur, division president of Sulzer Textil ▸ **1993** Sulzer AG, Winterthur, division president of Sulzer Thermtec ▸ **1980** Sulzer Innotec AG, Winterthur ▸ **Other appointments** Chairman of the board of Uster Technologies AG, Uster, and member of the board of Conzzeta AG, Zurich.

Jacques Sanche **1965**, Canadian and Swiss citizen; doctorate in economics (Dr. oec.) from the University of St. Gallen (HSG) ▸ Since **2016** chief executive officer and **2015** designated chief executive officer ▸ **2007** Belimo Holding AG, chief executive officer ▸ **2004** WMH Walter Meier Holding, Stäfa, member of the group management; WMH Tool Group, Chicago, USA, chief executive officer ▸ **1997** WMH Walter Meier Holding, various management positions ▸ **1990** various positions as consultant ▸ **Other appointments** Member of the board of Schweiter Technologies, Horgen.

Roger Baillod **1958**, Swiss citizen, degree in business economics from FH Olten, certified public accountant Kammerschule Zurich; since **1996** chief financial officer ▸ **1995** Benninger AG, Uzwil, head of corporate services ▸ **1993** Dietsche Holding AG, Zug, head of finance and accounting ▸ **1984** ATAG Ernst & Young AG, Zurich ▸ **Other appointments** Member of the board of Migros-Genossenschafts-Bund, Zurich, and member of BKW AG, Bern.

Stefan Düring **1972**, Swiss citizen, degree in economics (lic. oec.) from HSG University of St. Gallen, certified public accountant Board of Accountancy, New Hampshire, chartered financial analyst Association for Investment Management and Research, Charlottesville; since **2014** Bucher Specials, division and head of group development ▸ **2006** Head of group development and since **2010** responsible for Bucher Unipektin and Bucher Landtechnik ▸ **1998** PricewaterhouseCoopers, Zurich ▸ No other appointments or commitments.

Martin Jetter **1956**, German citizen, degree in engineering (dipl. Ing.) from University of Cooperative Education Stuttgart; since **2006** Bucher Emhart Glass, division president ▸ **2005** Emhart Glass SA ▸ **1980** Jetter AG, Ludwigsburg, chief executive officer ▸ **1978** Robert Bosch GmbH, Schwieberdingen ▸ No other appointments or commitments.

Thierry Krier **1967**, US and French citizen, Master International Business Marketing, ESIDEC in Metz, Bachelor Degree in Agronomy, Dijon College of Agriculture; since **2014** Kuhn Group, division president ▸ **2008** Kuhn North America Inc., president and chief executive officer ▸ **2002** Kuhn Knight Inc., president and managing director ▸ **1994** Kuhn Farm Machinery Inc., Head of sales and marketing ▸ **1990** Kuhn SA, Saverne ▸ No other appointments or commitments.

Aurelio Lemos **1962**, Spanish citizen, machine designer with Swiss business diploma (VSH Handelsdiplom, Technikum Elektrotechnik); division president of Bucher Municipal since **2016** ▸ **2012** Bucher Hydraulics Switzerland, managing director ▸ **2003** Bucher Hydraulics AG Frutigen, managing director ▸ **1994** Bürkert Fluid Control Systems, Switzerland, head of marketing and sales ▸ **1992** Weber Protection AG, Emmenbrücke, head of development and technology ▸ **1990** Weber AG, Emmenbrücke, business engineer ▸ **1989** BOA AG, Rothenburg ▸ **1988** Kent Moor AG, Baar ▸ **1980** Viscosuisse AG, Emmenbrücke ▸ No other appointments or commitments

Daniel Waller **1960**, Swiss citizen, master degree in mechanical engineering (dipl. Ing.) from Swiss Federal Institute of Technology (ETH) Zurich; since **2004** Bucher Hydraulics, division president ▸ **1999** Bucher Hydraulics AG Frutigen, managing director ▸ **1996** Carlo Gavazzi AG, Steinhausen ▸ **1987** Rittmeyer AG, Zug ▸ No other appointments or commitments.

Group services

Markus Beck **1973**, Swiss citizen, law degree (lic. iur.) from the University of Bern, lawyer, Executive Master of European and International Business Law (Executive M.B.L.-HSG) from the University of St. Gallen; since **2016** head of legal ▸ **2012** legal counsel ▸ **2008** Ypsomed AG, Burgdorf, legal counsel ▸ **2005** Bühler AG, Uzwil, legal counsel ▸ No other appointments or commitments.

Stefan Düring **1972**, Swiss citizen, degree in economics (lic. oec.) from HSG University of St. Gallen, certified public accountant Board of Accountancy, New Hampshire, chartered financial analyst Association for Investment Management and Research, Charlottesville; since **2006** Head of group development ▸ Other appointments or commitments see group management.

Vanessa Ölz **1953**, Swiss citizen, degree in law (lic. iur.) from University of Zurich; since **2016** secretary to the board and head of communication ▸ **2002 – 2015** head of legal and communication, secretary to the board ▸ **1997** Sulzer Medica, Winterthur, secretary to the board ▸ **1989** Sulzer AG, Winterthur, legal counsel ▸ No other appointments or commitments.

Number of admissible external activities Members of group management may exercise a maximum of two appointments in listed companies and no more than two in unlisted legal entities as a member of the senior management or administrative body. Appointments in companies that are linked, but outside the Group, as well as appointments that are held in connection with the exercise of such a function, count as one appointment, as long as no more than 30 appointments in all are held with such linked companies. Pro bono appointments are not subject to the above-mentioned restrictions. However, no member of the Group management may hold more than 20 such appointments. This regulation corresponds to art. 29 of Bucher Industries AG's articles of association.

Management contracts Bucher Industries AG has not entered into any management contracts with third parties.

Shareholders' participation rights

Shareholders' rights with regard to remuneration are detailed in the remuneration report on pages 54 to 62 of this annual report.

Voting rights and representation restrictions There are no restrictions on voting rights or proxy voting.

Independent proxy holder The independent proxy holder is elected on an annual basis by the general meeting. In the reporting year, the annual general meeting of 14 April 2015 elected Mathé & Partner, Attorneys-at-Law, Riesbachstrasse 57, 8034 Zurich, Switzerland, to the office of independent proxy holder, which the firm will hold until the next annual general meeting. Art. 8 of the company's articles of association stipulates that every shareholder with voting rights can issue written or electronic proxy to arrange representation at the annual general meeting by the independent proxy holder.

Issuing instructions to the independent proxy holder Bucher Industries AG's articles of association have no provision regarding the procedure for issuing instructions to the independent proxy holder. The board of directors determines, within the scope of legal provisions, the requirements relevant to proxies and instructions and can stipulate specific regulations. Details of such stipulations are provided with the invitation to the annual general meeting.

In the reporting year, every shareholder received, along with the invitation to the annual general meeting, a form for the purpose of issuing proxy, in writing or online, arranging representation at the annual general meeting by the independent proxy holder.

Instructions were restricted to approval, rejection or abstention on each of the proposals. For additional proposals or amendments shareholders were able to issue a global instruction to approve, reject or abstain from the respective proposal of the board of directors.

In the reporting year, shareholders were given a deadline until 10 April 2015 at 4 p. m. for the issue of proxies and instructions online. Shareholders who issued proxy online were not permitted to attend the annual general meeting personally as well.

Electronic participation in the annual general meeting Bucher Industries' articles of association contain no provision regarding electronic participation of shareholders in the annual general meeting. No such provision is planned in the reporting year.

Required quorums Resolutions at general meetings of shareholders are passed by an absolute majority of the votes of the shares represented. At least two-thirds of the votes represented and an absolute majority of the par value of the shares represented are required for special resolutions as prescribed in art. 704 par. 1 of the Swiss Code of Obligations.

Convocation of the general meeting of shareholders There are no rules that differ from the law for the convocation of general meetings of shareholders. As provided in the articles of association, notice of a meeting is given to shareholders at least 20 days before the meeting. The notice convening the meeting sets out the agenda and resolutions to be proposed by the board and by shareholders who have requested an item to be added to the agenda. According to the articles of association, the board of directors determines the date for registration of shareholders in the share register and announces the date in the invitation. As a rule, it is stipulated that shareholders must be registered three working days before the date of the meeting. Extraordinary general meetings are called as and when required, in particular in the cases provided by law. Shareholders representing at least one tenth of the share capital may at any time request that a meeting be convened, stating the business to be transacted and resolutions proposed.

Requests for additions to the agenda Shareholders representing shares with a combined par value of CHF 20 000 may request that an item be added to the agenda. Requests for additions to the agenda must be submitted at least six weeks before a general meeting of shareholders.

Obligation to make an offer and clauses on changes of control The annual general meeting of shareholders held on 26 April 2005 adopted an opting-up clause in the articles of association, requiring a purchaser of shares to make a public tender offer when reaching or crossing the threshold of 40% of the voting rights in accordance with the Federal Stock Exchange and Securities Trading Act. There are no change of control clauses benefiting directors or group management members.

Auditors

Duration of the engagement and lead audit partner's tenure PricewaterhouseCoopers AG, Zurich, or its predecessor companies, has served as statutory auditors of Bucher Industries AG since 1984. The lead audit partner, Christian Kessler, has been responsible for the audit engagement since 2013.

Audit fees and non-audit fees For last year, Bucher Industries was charged CHF 1 520 070 by PricewaterhouseCoopers and approximately CHF 809 560 by other auditors for services rendered in connection with the audit of the financial statements of Bucher Industries AG and its group companies and the audit of the consolidated financial statements of Bucher Industries and the remuneration report. In addition, PricewaterhouseCoopers charged Bucher Industries a fee of approximately CHF 1 107 090 for non-audit services, comprising financial, tax and due diligence services.

Supervisory and control instruments pertaining to the audit The audit committee reviews the audit programme, key audit areas and audit plan every year and discusses the interim and closing audit findings and respective reports with the auditors. Every year, the audit committee subsequently assesses the performance, fees and independence of the auditors.

Information policy

Bucher Industries publishes the results of operations in an annual report (including a financial, corporate governance and remuneration report) and an interim report. On 30 June of the reporting year, the Group published a sustainability report. These publications and the invitation to the annual meeting of shareholders are made available at the appropriate time on the Bucher website.
www.bucherindustries.com/en/investor-relations/publications
www.bucherindustries.com/en/investor-relations/annual-general-meeting

Annual sales including order intake, order book and number of employees at the end of the first and third quarters of a financial year are published in press releases. The company holds an annual press conference and annual analyst conference to present full-year results and hosts a conference call to discuss first-half results. Significant events are announced in compliance with the directive on ad hoc publicity issued by the SIX Swiss Exchange. A calendar of forthcoming release dates scheduled for the current and next financial year is set out in the information for investors section on page 9 of this annual report. All news releases published over the past two years as well as the contact address can be found on the Bucher website. The company's website at www.bucherindustries.com also provides a facility to subscribe free of charge to an e-mail service to receive press releases published by Bucher Industries.
www.bucherindustries.com/en/media_messages_page
www.bucherindustries.com/en/download-centre/publications
www.bucherindustries.com/en/contact

Remuneration report

The remuneration report describes the remuneration policy and remuneration system of Bucher Industries and provides information about the annual remuneration of the members of the board of directors and group management. The 2015 remuneration report is based on the Ordinance against Excessive Compensation in Listed Corporations (VegüV) as well as the Directive on Information relating to Corporate Governance (RLCG) published by the SIX Swiss Exchange and Bucher Industries AG's articles of association.

Remuneration policy Bucher Industries provides a remuneration system designed to align the interests of the directors and management with those of the Group, shareholders and other stakeholders. The basic principles of the remuneration package are set out in art. 23–28 of the articles of association of Bucher Industries AG. Since 2015, the overall remuneration of directors has been subject to approval by the annual general meeting of shareholders. The individual components of the remuneration package take account of the Group's sustainable short- and long-term business development. Directors are remunerated on a non-performance-related basis. Members of group management and senior management receive, in addition to their non-performance-related base salary, performance-related remuneration in recognition of their performance-oriented approach. All performance-related components of remuneration are subject to an upper limit. As the objective is to attract and retain highly qualified executives and professionals, the remuneration system is focused on providing competitive remuneration with a fixed base salary and performance-related components paid in cash and in the form of interests in the company.

At the request of the compensation committee, the board of directors issues rules and regulations relevant to the remuneration system, which are additionally benchmarked against available market data of similar listed companies within the European mechanical engineering industry every three to five years and, if necessary, revised by the board at the request of the compensation committee.

Annual general meeting In accordance with art. 26 of Bucher Industries' articles of association the annual general meeting approves the overall remuneration to be awarded to the board of directors for the period of office following the annual general meeting, the overall fixed remuneration sum for group management for the financial year following the annual general meeting and the overall sum for the variable remuneration for group management for the previous completed financial year.

Compensation committee

Responsibility The compensation committee comprises three to five members of the board of directors who are individually elected by the annual general meeting. The duties and responsibilities of the compensation committee are described in art. 20 of the company's articles of association which are available on the Bucher website in the summary of the internal rules of organisation (Rules of Organisation). The compensation committee reports to the board of directors on its activities, findings and proposals. Overall responsibility for the tasks assigned to the compensation committee rests with the board of directors.
www.bucherindustries.com/en/investor-relations/corporate-governance

Election and term of office The annual general meeting of 14 April 2015 elected Claude Cornaz, Anita Hauser and Valentin Vogt to the compensation committee until the next annual general meeting. The board of directors nominated Valentin Vogt as chairman of the committee.

Tasks and responsibilities The compensation committee develops the remuneration policy and sets before the board of directors a proposal for a remuneration package, together with the appropriate corporate rules and regulations, for the directors, group management and senior management. It makes recommendations to the board for the annual remuneration of directors and group management, the participants in the share plan, and notes the remuneration sum for senior management. The compensation committee will also set before the board of directors proposals to be presented to the annual general meeting for prospective approval of the total fixed remuneration for directors and group management, as well as retrospective approval of total variable remuneration for group management, in accordance with art. 26 of Bucher Industries' articles of association. It is also charged with preparation of the remuneration report to be submitted to the board of directors. The compensation committee also assesses the proposals for appointments submitted by members of general management, in accordance with art. 29 of Bucher Industries' articles of association. If agreement is unanimous, the committee recommends to the board of directors approval of the external mandates. The compensation committee also presents the board of directors with proposals for medium- and long-term remuneration planning for directors and group management. The committee presents the board of directors with proposals regarding the basic principles of the process for selecting candidates for the board of directors and group management and prepares selections based on these criteria.

Meetings and activities in the reporting year The compensation committee meets at least twice a year. The meetings usually last for several hours. The chairman of the board of directors and the CEO attend the meetings in an advisory capacity, except when their own remuneration is being determined. The compensation committee held seven meetings in the reporting year. The committee's focus was on the selection of candidates for the posts of CFO and division president of Bucher Municipal, and revision of the share plans. The committee was also involved in reviewing the remuneration of the members of group management and the regular duties described above.

Remuneration system

Board of directors Directors receive non-performance-related remuneration, which is proposed by the remuneration committee and determined by the board of directors every year. Their remuneration consists of a base fee, a base salary for the chairman and cash allowances for service on committees and for expenses. Half of the base fee is paid in cash and half in shares, with the number and valuation of the shares being determined using the end-of-year price for the reporting year. All components of the remuneration are paid out to the board of directors on the day after the annual general meeting for the previous period of office, with the exception of the chairman's salary, which is paid monthly.

Group management Group management members receive a fixed remuneration amount in the form of a base salary commensurate with their responsibilities and experience, and performance-related remuneration paid out as a cash bonus and shares under the Bucher Share Plan. Other benefits comprise a representation expense allowance and contributions to a voluntary pension plan. In addition, the members of group management are provided with a mid-range company car. The CEO, CFO and one further member of group management did not avail themselves of this option. The fixed and variable components of remuneration specified in the employment contracts of the members of group management are conditional on the approval of the annual general meeting. The annual financial targets for the variable, performance-related components of remuneration are determined at the start of the business year by the board of directors. The determination takes into account the Group's long-term targets, results for the past year, budget for the current year and the general economic conditions. Variable remuneration is paid following the retrospective approval by the annual general meeting in the following spring.

Fixed remuneration The fixed base salary of group management members is determined by reference to market benchmarks for the specific position in the country concerned, based on the level of individual responsibility and experience of the person concerned.

Variable Remuneration The performance-related components of the variable remuneration sum comprise a cash bonus and the share plan to remunerate group management members and senior managers. Its amount depends on their base salary, the achievement of the annual financial targets set for the Group and divisions by the board of directors and the achievement of individual non-financial annual targets.

The remuneration system has remained unchanged since 2010 and for members of group management is structured as follows:

	fix remuneration	variable remuneration			
	base salary	cash bonus		in shares	
		target [1]	range	target [1]	range
CEO	100%	50%	0–75%	60%	0–90%
Other members	100%	30%	0–45%	20%	0–30%

[1] 100% target achievement. All percentage numbers are based on base salary.

Cash bonus The remuneration system for the cash bonus has remained unchanged since 2010 and for members of group management is structured as follows: The financial targets are weighted at 80% and individual targets at 20%. The individual annual targets are agreed between the chairman of the board and the CEO and between the CEO and each group management member. The cash bonus for full target achievement is 50% of base salary for the CEO and 30% of base salary for all other members of group management. The range of the cash bonus varies, depending on target achievement, from 0 to a maximum of 1.5 times the value for full target achievement. The financial criteria used to determine the cash bonus for the CEO and CFO are the Group's "profit for the year" and its "net operating assets as a percentage of sales". For the other members of group management, the financial criteria are "operating profit (EBIT)" and "net operating assets as a percentage of sales" for their respective divisions.

Bucher Share Plan In the reporting year, the existing share plans, the Bucher Executive Participation Plan for group management members (BEPP) and the Bucher Participation Plan for senior management (BPP) were transferred into a new share plan. The company benefits remained unchanged. Co-investment by participants was discontinued; this was in order to improve shareholding by younger participants, particularly those with family commitments, and to eliminate any country-specific disadvantages as far as possible. The new rules also entail certain administrative simplifications, the same methods now being applied for calculations and valuations for all share-based remuneration. The new Bucher Share Plan (BPP) continues to be a share-based, performance-related component of remuneration for the members of group management, senior managers and selected specialists. The financial target for awarding shares is "earnings per share" and is set by the board of directors at the beginning of each financial year, taking into account the Group's long-term targets, results for the past year, budget for the current year and the general economic conditions. Awards of shares are based on a percentage of base salary and depend on the achievement of the "earnings per share" financial target. The number of shares to be awarded is calculated and evaluated using the end-of-year share price for the reporting year. Upon full target completion, this percentage remained unchanged, corresponding to the sum of the previous BEPP and BPP share plans, and amounted to 60% for the CEO, 40% for the CEO designate, 20% for the other members of group management and 10% for all other participants in the plan. The level of target achievement ranges from 0 to a maximum of 1.5 times the value for full target achievement. The shares awarded are restricted for three years.

Share options Share options granted in respect of previous reporting years remain valid as originally provided and are shown in the table on page 61 of this annual report.

Termination of employment If employment is terminated for any reason other than termination by the employee or employer, the variable annual remuneration and awards under the Bucher Share Plan will be paid on a pro rata basis after the retrospective approval of the annual general meeting in the following spring. Options granted under the share option plan may be exercised until the expiration of the option term. If employment is terminated by the employee or employer, all rights under the Bucher Share Plan will lapse and the cash bonus during the period of notice will also be forfeited from the time the employee is released from duties. Exercisable options must be exercised within six months after termination of employment, after which they will be forfeited. The period of notice for members of group management is twelve months.

Termination benefits There are no systems for termination benefits either for directors or group management, and none were paid during the reporting year.

Remuneration in the 2015 reporting year

The remuneration of directors and group management is reported here on an accrual basis.

Board or directors The overall remuneration awarded to directors totalled CHF 1.019 million and was within the total sum of CHF 1.150 million approved by the 2015 annual general meeting. The remuneration paid out and the share options held at the end of the reporting year are set out in a table on pages 59 and 61 of this report.

The components of remuneration for the board of directors remained unchanged in the reporting year. The base fee for the chairman amounted to CHF 150 000, for the deputy chairman CHF 105 000, and for the other directors CHF 90 000. The base salary of the chairman also remained unchanged at CHF 150 000. The flat-rate expenses remuneration amounted to CHF 4 000 for the chairman and CHF 2 000 for the other directors. For work in committees each member was awarded CHF 10 000. The respective share awards were granted and valued at the end-of-year share price for the reporting period of CHF 226.30 (2014 average price for the year: CHF 268.95). The shares awarded are subject to a three-year vesting period.

Group management

Overall remuneration The overall remuneration of group management was CHF 7.170 million, 5% below that of the previous year (2014: CHF 7.548 million). Remuneration of the CEO decreased by 0.9% compared with the previous year and that of the other members of group management by 6.6%. These amounts include the additional four months remuneration for the designated CEO and other changes to group management. The total variable remuneration requested and paid in the reporting year and the interests held by the CEO, other group management members and the total for group management at the end of 2015 are set out on pages 60 and 61 of this annual report.

Fixed remuneration The base salary of the CEO has remained unchanged since 2010, that of other group management members was not increased except for members newly appointed to group management in 2014. The designated CEO, Jacques Sanche, joined the Group on 1 September 2015. Along with other changes the fixed remuneration sum for group management decreased slightly. The overall sum of CHF 5.500 million for the fixed remuneration approved by the 2015 annual general meeting for the 2016 financial year only applies from the 2016 financial year, as per the articles of association.

Variable remuneration The variable remuneration of group management was CHF 2.524 million, 6.2% below that of the previous year (2014: CHF 2.691 million). Remuneration of the CEO increased by 1.8% compared with the previous year and that of the other members of group management decreased by 10.9%. The primary reasons for these changes were the lower degree of target achievement, the new calculation and valuation method using the end-of-year price for the share-based remuneration, and the changes in group management. The variable remuneration sum of CHF 2.694 million paid out to group management in the reporting year for the 2014 financial year is below the overall amount of CHF 2.900 million retrospectively approved by the 2015 annual general meeting.

In 2015, the level of target achievement for the performance-related cash bonus was between 88% and 115%, and the level of target achievement for the Bucher Share Plan was 99% (104%). The level of target achievement in percentage terms was in most cases below that of the previous year. The number of shares granted under the Bucher Share Plan was calculated and evaluated using the end-of-year share price for the year of CHF 226.30. In the previous year, the BEPP shares were calculated using the average price for the year of CHF 268.95 and the BPP shares at the price of the first three weeks of January 2015, CHF 235.80. The valuation of all shares granted was made at CHF 235.80. The number granted under the new Bucher Share Plan for the CEO and the other members of the management board was 4.3% below the number for the previous year as a result of the simplified method for calculation and evaluation and the different share price. The cash value of all the shares awarded under the new Bucher Share Plan was 8.2% lower than the previous year.

Additional remuneration, fees and loans to members of governing bodies No current or former directors, group management members or persons connected with them received any additional remuneration, fees or loans during the year.

The following pages 59 to 61 are subject to examination by the auditors.

Directors' remuneration

CHF 1 000	Base amount	Share awards		Other remuneration	Overall remuneration
		Number	Value		
					2015
Rolf Broglie, chairman	225.0	332	75.0	29.3	**329.3**
Anita Hauser, deputy chairman	52.5	232	52.5	23.8	**128.8**
Ernst Bärtschi	45.0	199	45.0	22.1	**112.1**
Claude R. Cornaz	45.0	199	45.0	22.1	**112.1**
Michael Hauser	45.0	199	45.0	22.1	**112.1**
Heinrich Spoerry	45.0	199	45.0	22.1	**112.1**
Valentin Vogt	46.0	204	46.0	20.4	**112.4**
Board of Directors	**503.5**	**1 564**	**353.5**	**161.9**	**1 018.9**
Approval by the general meeting 2015					**1 150.0**
					2014
Rolf Broglie, chairman	225.0	279	75.0	38.1	**338.1**
Anita Hauser, deputy chairman	52.5	196	52.5	23.6	**128.6**
Ernst Bärtschi	45.0	168	45.0	22.1	**112.1**
Claude R. Cornaz	45.0	168	45.0	22.1	**112.1**
Michael Hauser	45.0	168	45.0	22.1	**112.1**
Heinrich Spoerry	45.0	168	45.0	22.1	**112.1**
Valentin Vogt [1)]	34.5	129	34.5	7.0	**76.0**
Board of Directors	**492.0**	**1 276**	**342.0**	**157.1**	**991.1**

[1)] Since 10 April 2014

Directors' share awards were classified as directors' fees. Share awards and their valuation were calculated using the end-of-year share price of CHF 226.30 (2014 average price for the year: CHF 268.95). Other remuneration included social contributions expenses and fees for service on the board committees.

Group management remuneration

CHF 1 000	Base salary	Other remu-neration	Fixed remu-neration	Cash bonus	Share awards under share plans		Other remu-neration	Variable remu-neration	Overall remu-neration
					Number	Value			
									2015
Philip Mosimann, CEO	860.0	244.6	**1 104.6**	412.8	2 258	510.8	80.7	**1 004.3**	**2 108.9**
Other members	2 740.4	801.2	**3 541.6**	854.5	2 248	508.2	156.5	**1 519.2**	**5 060.8**
Group management	**3 600.4**	**1 045.8**	**4 646.2**	**1 267.3**	**4 506**	**1 019.0**	**237.2**	**2 523.5**	**7 169.7**

CHF 1 000	Base salary	Other remu-neration	Fixed remu-neration	Cash bonus	Share awards under share plans			Other remu-neration	Variable remu-neration	Overall remu-neration
					BEPP Number	BPP Number	Value			
										2014
Philip Mosimann, CEO	860.0	282.1	**1 142.1**	438.6	1 663	380	481.7	65.8	**986.1**	**2 128.2**
Other members	2 927.0	788.1	**3 715.1**	890.4	1 611	1 056	628.8	185.7	**1 704.9**	**5 420.0**
Group management	**3 787.0**	**1 070.2**	**4 857.2**	**1 329.0**	**3 274**	**1 436**	**1 110.5**	**251.5**	**2 691.0**	**7 548.2**
Approval by the general meeting 2015			**n.a.**						**2 900.0**	

The shares awarded to group management members for the reporting year are based on the new Bucher Share Plan. The shares awarded represent a fixed percentage of base salary and the level of target achievement during the year. The number of shares awarded was calculated and valued based on the end-of-year price CHF 226.30. Other remuneration included social contributions and expenses.

Loans and credits There were no outstanding loans or credits to active or former members of the board of directors or group management nor to persons close to them as per 31 December 2015.

Directors' interests in shares

	Number of shares	
	2015	**2014**
Rolf Broglie, chairman	14 055	13 776
Anita Hauser, deputy chairman	439 511	439 315
Ernst Bärtschi	628	719
Claude R. Cornaz	5 866	5 698
Michael Hauser	604 636	604 468
Heinrich Spoerry	3 254	3 086
Valentin Vogt	3 129	1 050
Board of directors	**1 071 079**	**1 068 112**

The directors did not hold any share options on 31 December 2015.

Group management's interests in shares and share options

		Number of shares		Number of options	
		2015	**2014**	**2015**	**2014**
Philip Mosimann	CEO	63 916	61 508	–	–
Jacques Sanche	designated CEO	–	–	–	–
Roger Baillod	CFO	9 485	8 938	4 200	4 200
Stefan Düring	Bucher Specials	1 399	1 048	1 200	1 200
Martin Jetter	Bucher Emhart Glass	4 403	2 050	1 200	1 200
Thierry Krier	Kuhn Group	1 255	749	–	–
Daniel Waller	Bucher Hydraulics	11 380	9 066	7 200	10 030
Group management		**91 838**	**83 359**	**13 800**	**16 630**

		Number of options			
Grant year		**2009**	**2008**	**2007**	**Total**
Exercise price (CHF)		115.00	149.00	221.00	
Roger Baillod	CFO	2 400	1 800	–	**4 200**
Stefan Düring	Bucher Specials	1 200	–	–	**1 200**
Martin Jetter	Bucher Emhart Glass	–	–	1 200	**1 200**
Daniel Waller	Bucher Hydraulics	2 400	2 400	2 400	**7 200**
Group management		**6 000**	**4 200**	**3 600**	**13 800**

No share options have been granted since the 2010 financial year. Share options with a term of ten years granted in respect of previous reporting years remain valid as originally provided and can be exercised at any time. Each option entitles the holder to purchase one share.

Report of the statutory auditor

To the General Meeting Bucher Industries AG, Niederweningen

We have audited the accompanying remuneration report (pages 59 to 61) of Bucher Industries AG for the year ended 31 December 2015.

Board of Directors' responsibility The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion In our opinion, the remuneration report of Bucher Industries AG for the year ended 31 December 2015 complies with Swiss law and articles 14 – 16 of the Ordinance.

PricewaterhouseCoopers AG

Christian Kessler Audit expert Auditor in charge	Ralf Zwick Audit expert

Zurich, 26 February 2016

Financial contents

Group financial review

Business performance Bucher Industries reported falls of 11.0% and 11.2% in order intake and sales respectively, with currency effects accounting for around 7.2% and 6.8% of the decline in the respective figures. Further reasons for the downward trend were the sluggish economy in Europe and a continued decline in demand in the Group's main market, agricultural machinery, which steepened from the middle of the reporting year onwards. The most pronounced slowdown was seen in the arable sector; however, towards the end of the year the dairy industry was also affected by falling prices. In these difficult market conditions, Kuhn Group performed remarkably well. Bucher Municipal's markets did not change significantly in the reporting year, with demand for sweepers and winter maintenance equipment remaining at a low but stable level. In this economic climate, Bucher Municipal defended its high market shares well, but saw falling sales as a result of the smaller scale of the major order from the city of Moscow. Bucher Hydraulics profited from the demand for hydraulic systems in North America. There was further positive impetus from industrial applications, whereas demand for agricultural machinery weakened. The reporting year did not see any significant changes in the market for glass-forming and inspection machinery. Business picked up after a slow start and Bucher Emhart Glass performed well. In varying market conditions, Bucher Specials experienced a significant decline in order intake and sales. This development was fuelled by the massive slump in project business with equipment for fruit juice and beer production and by currency influences due to the strong Swiss franc. The Group's order book remained sound, standing at CHF 688.4 million, a 12.7% decrease on the previous year. Adjusted for currency and acquisition effects the decrease was 5.4%. The order backlog at the end of the reporting year was around 3.3 months of the full-year sales (2014: 3.4 months). Compared with the previous year, the changes in the relevant exchange rates against the Swiss franc were as follows: EUR down 11.4%, USD up 5.3%, GBP down 2.1%, SEK down 13.7%, BRL down 24.3% and AUD down 11.8%.

Net sales

CHF million	2015	2014	change in %
Net sales	2 490.4	2 805.6	−11.2%
Net sales adjusted for currencies	2 681.4	2 805.6	−4.4%
Net sales adjusted for acquisitions	2 480.8	2 805.6	−11.7%
Net sales adjusted for currencies and acquisitions	2 668.8	2 805.6	−4.9%

Operating performance Influenced by currency and one-off effects resulting from the discontinuation of the minimum euro rate by the Swiss National Bank, the EBIT margin decreased in line with expectations by around 0.5 of a percentage point. Cyclical and market-related influences further reduced the margin by 0.4 of a percentage point, resulting in an EBIT margin of 8.3% (2014: 9.2%). Group EBITDA fell by 15.3% to CHF 296.2 million, which resulted in an EBITDA margin of 11.9% (12.5%). Other operating expenses came to 12.9% (13%) of sales. Employment costs were adjusted as far as possible in line with capacity utilisation by way of flexible deployment of temporary staff. The ratio of employment costs to sales was 26.0% (24.9%).

Currency effects After discontinuation of the minimum euro rate by the Swiss National Bank in mid-January 2015, the Swiss franc appreciated massively against the Group's main operating currencies. Thanks to the internationalisation of the Group's business over many years, the exchange-rate shock mainly affects the translation of foreign currencies into Swiss francs. In the reporting year, the euro lost 11.4% compared with the average exchange rate against the Swiss franc the previous year. The depreciation in the value of the euro was partly offset by the recovery of the US dollar. In the reporting period, the currency effect on sales was negative 6.8%. The net negative effect on operating profit was 12.0% and on the operating profit margin 0.5 percentage points. The main reasons for this were currency-translation effects on receivables and the discounts to be granted on inventories. Cost-saving measures and strong market positions helped to cushion the negative influences. Imminent negative currency effects arising from transactions were successfully minimised by the hedging transactions undertaken. While the operating currency effects balanced out in operating profit (2014: negative CHF 3.0 million), the negative currency effects in the financial result amounted to CHF 1.0 million (positive currency effect CHF 0.4 million). The translation of the various balance sheet items reduced equity by CHF 109.3 million and increased net debt by CHF 12.1 million.

Net financial items Net financial items came to negative CHF 13.3 million, compared with CHF 13.2 million the previous year. Net interest expense improved by CHF 2.9 million, amounting to negative CHF 12.3 million. The decrease is essentially attributable to improved credit conditions, refinancing of the Swiss bonds during the previous year, and a further reduction of bank loans. Net gain on financial instruments was CHF 1.4 million, CHF 1.3 million below the previous year. The fair value of financial instruments, recognised in the fair value reserve in equity under "Change in fair value reserve", increased by CHF 0.5 million to CHF 4.2 million. Thanks to sound hedging strategies, it was possible to keep foreign exchange gains and losses at a low level, amounting to negative CHF 1.0 million. The Group's share of profit of associates amounted to CHF 0.4 million (2014: CHF 1.5 million).

CHF million

	2015	2014
Interest expense on financial liabilities	– 14.1	– 18.2
Interest income on financial assets	1.8	3.0
Net interest expense	**– 12.3**	**– 15.2**
Net gain on financial instruments	1.4	2.7
Financial foreign exchange gains and losses	– 1.0	0.4
Share of profit/(loss) of associates	0.4	1.5
Other financial items	– 1.8	– 2.6
Net financial items	**– 13.3**	**– 13.2**

Tax rate and profit for the year Income tax expense amounted to CHF 53.8 million and, despite the lower profit before tax, were only slightly below the low value of the previous year, which had benefitted particularly from one-off effects. The effective tax rate amounted to 27.8% (2014: 22.3%). The profit for the year amounted to CHF 140.0 million, which was 26.2% lower than in 2014. The return on sales was 5.6% (6.8%). As a result of the lower profit for the year, earnings per share decreased by 26.3% to CHF 13.69 (CHF 18.58).

Financial situation In the reporting year, net operating assets decreased by CHF 108.2 million. The decline of 8.2% is mainly due to currency effects. The volume-related decrease in receivables and inventories was offset by lower liabilities. However, net operating assets average were CHF 1 295.7 million, an increase for the year of CHF 27.7 million. This development was largely due to the high level of receivables and inventories at the beginning of the year; as a percentage of sales, the figure increased to 52.0%. As a consequence of the lower profitability, return on net operating assets (RONOA) after tax was 11.5%, still significantly higher than the cost of capital, but below the long-range target of 16%. At CHF 81.9 million, capital expenditure was slightly lower than the high level recorded one in the previous year. The most important individual projects were the expansion of Kuhn Group in the Netherlands, the construction of an extension plant by Bucher Municipal in Latvia and the extension of two Bucher Hydraulics plants in North America. Investments were also made in the machinery pool of various group companies. Net debt was CHF 10.4 million (2014: CHF 85.0 million) and the equity ratio rose from 46.1% to 49.0%.

Return on net operating assets (RONOA) after tax

CHF million

	2015	2014
Trade receivables	428.5	478.5
Inventories	602.8	668.7
Property, plant and equipment	588.9	634.8
Intangible assets	205.6	252.9
Other operating receivables	68.1	91.0
Trade payables	– 220.7	– 263.6
Advances from customers	– 167.3	– 198.7
Provisions	– 62.3	– 77.7
Other operating liabilities	– 226.4	– 260.5
Net operating assets (NOA)	**1 217.2**	**1 325.4**
Net operating assets (NOA) average	1 295.7	1 268.0
Operating profit (EBIT)	**207.1**	**257.2**
Return on net operating assets (RONOA) after tax	**11.5%**	**15.8%**

Intangible assets amounted to CHF 205.6 million (2014: CHF 252.9 million). The decrease was due to currency effects and amortisation. Goodwill fell to CHF 113.5 million (CHF 133.3 million) as a result of the exchange rates applied. The annual impairment testing of intangible assets was based on the cash flow projections of the cash-generating units. In view of the expected consistent results for the years ahead, impairment testing – as in the previous year – revealed no impairment requirement. The share of intangible assets in equity was 17.8% (21.0%), that of goodwill 9.8% (11.1%). Equity decreased by CHF 47.5 million to CHF 1 154.1 million at 31 December 2015. The decrease is mainly attributable to negative currency effects of CHF 109.3 million and the dividend of CHF 67.6 million, as opposed to a Group profit for the year of CHF 140.0 million. The equity ratio rose by 2.9 percentage points to 49.0% (46.1%) and the return on equity was 11.9% (16.7%). At the end of the year, the Group had cash and liquid assets of CHF 374.8 million compared with financial liabilities of CHF 385.2 million. Overall, the undrawn committed credit facilities amounted CHF 280.0 million.

Cash flow/free cash flow

CHF million

	2015	2014
Net cash flow from operating activities	**236.8**	**163.0**
Purchases of property, plant and equipment	−74.9	−112.1
Proceeds from sale of property, plant and equipment	2.9	7.0
Purchases of intangible assets	−7.0	−4.2
Operating free cash flow	**157.8**	**53.7**
Purchases of short-term investments and financial assets	–	−1.0
Proceeds from sale of short-term investments and financial assets	2.7	3.7
Acquisition	−3.0	−62.7
Acquisition of non-controlling interests	−2.3	−5.1
Purchases of treasury shares	−4.5	−2.8
Proceeds from sale of treasury shares	2.9	15.4
Dividend received	0.3	0.4
Dividend paid	−67.6	−67.7
Free cash flow	**86.3**	**−66.1**

Operating free cash flow was CHF 157.8 million (2014: CHF 53.7 million). After deduction of the dividend of CHF 67.6 million, the result was a positive free cash flow of CHF 86.3 million, a positive change of CHF 152.4 million over the 2014 figure. This was achieved mainly by a decrease in committed capital in net current assets, as well as lower expenditure for investments and acquisitions. Net debt was CHF 10.4 million (CHF 85.0 million). The fall since 30 June 2015 of CHF 229.0 million was largely attributable to seasonal factors.

Number of employees On the balance sheet date, the number of employees was down year on year by 4.2% to 11 072 full-time positions. The annual average decrease was 1.2%. By deploying temporary staff it was possible to adjust personnel requirements with the greatest possible flexibility to take account of seasonal factors and local economic conditions. Group sales decreased by 11.2%, net sales per employee was CHF 217 000 which was well down on the previous year's figure of CHF 241 000. Adjusted for currency and acquisition effects, net sales per employee stood at CHF 235 000.

Shareholder value In a highly volatile equities market in the reporting year, the performance of the Bucher share against the SPI (Swiss Performance Index) was weaker owing to the sharp downturn in the agricultural machinery market. The closing price was CHF 226.30 (2014: CHF 248.90). The high for the year was CHF 257.00; the low was CHF 201.70. Market capitalisation reached CHF 2.3 billion at year-end, corresponding to a price/book ratio of 2.1. The price per share was CHF 13.69, compared with CHF 18.58 the previous year.

Dividend In keeping with a consistent dividend policy, the board of directors is proposing that the annual general meeting on 15 April 2016 approve payment of a dividend of CHF 5.50 per registered share. In the previous year, the dividend was CHF 6.50 per share. On the basis of the 2015 average price of CHF 232.90, the board of directors' proposal corresponds to a dividend yield of 2.4% (2014: 2.4%).

Consolidated balance sheet as per 31 December 2015

CHF million	Note	31 December 2015	31 December 2014
Cash and cash equivalents		346.2	337.8
Short-term investments	3	28.6	31.4
Trade receivables	4	428.5	478.5
Current income tax assets		21.5	30.8
Other receivables	4	48.6	56.5
Inventories	5	602.8	668.7
Current assets		**1 476.2**	**1 603.7**
Long-term receivables	4	2.8	5.6
Property, plant and equipment	6	588.9	634.8
Intangible assets	7	205.6	252.9
Other financial assets	8	12.9	31.4
Investments in associates	9	11.2	12.3
Deferred income tax assets	19	56.0	63.8
Non-current assets		**877.4**	**1 000.8**
Assets		**2 353.6**	**2 604.5**
Financial liabilities	10	26.0	106.1
Trade payables		220.7	263.6
Advances from customers		167.3	198.7
Provisions	11	50.5	61.5
Other liabilities	13	196.5	220.5
Current income tax liabilities		16.3	23.5
Current liabilities		**677.3**	**873.9**
Financial liabilities	10	359.2	348.1
Provisions	11	11.8	16.2
Other liabilities	13	18.7	24.8
Deferred income tax liabilities	19	51.7	57.2
Retirement benefit obligations	20	80.8	82.7
Non-current liabilities		**522.2**	**529.0**
Attributable to owners of Bucher Industries AG		1 116.0	1 159.8
Attributable to non-controlling interests		38.1	41.8
Equity		**1 154.1**	**1 201.6**
Liabilities and equity		**2 353.6**	**2 604.5**

Consolidated income statement for the year ended 31 December 2015

CHF million	Note	2015	%	2014	%
Net sales	1	**2 490.4**	**100.0**	**2 805.6**	**100.0**
Changes in inventories of finished goods and work in progress		– 14.7		3.9	
Raw materials and consumables used		– 1 232.2		– 1 422.1	
Employment costs	15	– 648.7		– 698.9	
Other operating income	16	22.7		26.7	
Other operating expenses	17	– 321.3		– 365.4	
Operating profit before depreciation and amortisation (EBITDA)		**296.2**	**11.9**	**349.8**	**12.5**
Depreciation	6	– 69.2		– 70.9	
Amortisation	7	– 19.9		– 21.7	
Operating profit (EBIT)		**207.1**	**8.3**	**257.2**	**9.2**
Share of profit/(loss) of associates	18	0.4		1.5	
Finance costs	18	– 15.9		– 20.9	
Finance income	18	2.2		6.2	
Profit before tax		**193.8**	**7.8**	**244.0**	**8.7**
Income tax expense	19	– 53.8		– 54.3	
Profit/(loss) for the year		**140.0**	**5.6**	**189.7**	**6.8**
Attributable to owners of Bucher Industries AG		138.3		187.4	
Attributable to non-controlling interests		1.7		2.3	
Basic earnings per share in CHF	14	13.69		18.58	
Diluted earnings per share in CHF	14	13.65		18.50	

Consolidated statement of comprehensive income for the year ended 31 December 2015

CHF million

	2015	2014
Profit/(loss) for the year	**140.0**	**189.7**
Change in actuarial gains/(losses) on defined benefit pension plans	–15.8	–31.4
Income tax	3.1	7.3
Change in actuarial gains/(losses) on defined benefit pension plans net of tax	**–12.7**	**–24.1**
Items that will not be transferred subsequently to income statement	**–12.7**	**–24.1**
Change in fair value reserve	0.6	0.9
Transfer to income statement	–	–
Income tax	–0.1	–0.3
Change in fair value reserve net of tax	**0.5**	**0.6**
Change in cash flow hedge reserve	–6.4	–9.9
Transfer to income statement	8.8	4.1
Income tax	–0.6	0.9
Change in cash flow hedge reserve net of tax	**1.8**	**–4.9**
Change in currency translation reserve	–109.3	25.0
Transfer to income statement	–	–0.1
Change in currency translation reserve	**–109.3**	**24.9**
Items that may be transferred subsequently to income statement	**–107.0**	**20.6**
Other comprehensive income	**–119.7**	**–3.5**
Comprehensive income	**20.3**	**186.2**
Attributable to owners of Bucher Industries AG	21.1	182.2
Attributable to non-controlling interests	–0.8	4.0

Consolidated cash flow statement for the year ended 31 December 2015

CHF million	Note	2015	2014
Profit/(loss) for the year		**140.0**	**189.7**
Income tax expense	19	53.8	54.3
Net interest expense	18	12.3	15.2
Share of profit/(loss) of associates	18	−0.4	−1.5
Depreciation and amortisation	6, 7	89.1	92.6
Other operating cash flow items		2.4	3.1
Gain on sale of non-current assets	16	−0.7	−2.3
Interest received		1.6	2.8
Interest paid		−11.7	−19.8
Income tax paid		−39.8	−100.7
Change in provisions and retirement benefit obligations		−6.1	−10.9
Change in receivables		24.3	−26.2
Change in inventories		18.7	−12.4
Change in advances from customers		−12.5	10.2
Change in payables		−23.1	−19.5
Other changes in working capital		−11.1	−11.6
Net cash flow from operating activities		**236.8**	**163.0**
Purchases of property, plant and equipment	6	−74.9	−112.1
Proceeds from sale of property, plant and equipment		2.9	7.0
Purchases of intangible assets	7	−7.0	−4.2
Purchases of short-term investments and financial assets		–	−1.0
Proceeds from sale of short-term investments and financial assets		2.7	3.7
Acquisition	2	−3.0	−62.7
Dividend received	9	0.3	0.4
Net cash flow from investing activities		**−79.0**	**−168.9**
Purchases of treasury shares	14	−4.5	−2.8
Proceeds from sale of treasury shares		2.9	15.4
Proceeds from non-current financial liabilities		30.5	242.3
Repayment of non-current financial liabilities		−1.9	−1.8
Proceeds from current financial liabilities		14.1	115.5
Repayment of current financial liabilities		−89.6	−371.6
Acquisition of non-controlling interests	2	−2.3	−5.1
Dividend paid		−67.6	−67.7
Net cash flow from financing activities		**−118.4**	**−75.8**
Effect of exchange rate changes		−31.0	−3.6
Net change in cash and cash equivalents		**8.4**	**−85.3**
Cash and cash equivalents at 1 January		337.8	423.1
Cash and cash equivalents at 31 December		**346.2**	**337.8**

Consolidated statement of changes in equity for the year ended 31 December 2015

CHF million	Share capital	Retained earnings	Treasury shares	Currency translation reserve	Fair value reserve	Cash flow hedge reserve	Attributable to owners of Bucher Industries AG	Non-controlling interests	Total equity
Balance at 1 January 2014	**2.1**	**1 304.4**	**–10.4**	**–270.1**	**3.1**	**1.1**	**1 030.2**	**43.9**	**1 074.1**
Profit/(loss) for the year		187.4					187.4	2.3	**189.7**
Other comprehensive income		–24.0		23.1	0.6	–4.9	–5.2	1.7	**–3.5**
Comprehensive income		**163.4**		**23.1**	**0.6**	**–4.9**	**182.2**	**4.0**	**186.2**
Change in treasury shares		4.3	–1.7				2.6		**2.6**
Share-based payments		8.6	2.9				11.5		**11.5**
Change in non-controlling interests		–1.1					–1.1	–4.0	**–5.1**
Dividend		–65.6					–65.6	–2.1	**–67.7**
Balance at 31 December 2014	**2.1**	**1 414.0**	**–9.2**	**–247.0**	**3.7**	**–3.8**	**1 159.8**	**41.8**	**1 201.6**
Profit/(loss) for the year		138.3					138.3	1.7	**140.0**
Other comprehensive income		–12.7		–106.8	0.5	1.8	–117.2	–2.5	**–119.7**
Comprehensive income		**125.6**		**–106.8**	**0.5**	**1.8**	**21.1**	**–0.8**	**20.3**
Change in treasury shares		0.6	–4.4				–3.8		**–3.8**
Share-based payments		4.7	1.2				5.9		**5.9**
Change in non-controlling interests		–1.3					–1.3	–1.0	**–2.3**
Dividend		–65.7					–65.7	–1.9	**–67.6**
Balance at 31 December 2015	**2.1**	**1 477.9**	**–12.4**	**–353.8**	**4.2**	**–2.0**	**1 116.0**	**38.1**	**1 154.1**

Notes to the consolidated financial statements

Group accounting policies

Organisation Bucher Industries AG is a public limited company incorporated in Switzerland whose shares are publicly traded on the SIX Swiss Exchange. Its registered office is in Niederweningen, Switzerland. The Group comprises five specialised divisions in industrially related areas of mechanical and vehicle engineering.

Basis of preparation The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and Swiss law under the historical cost convention, except for certain assets and liabilities which are measured at fair value. The consolidated financial statements are presented in Swiss francs (CHF) and are based on the group entities' separate financial statements made up to 31 December using uniform classification and measurement criteria (IFRS). All amounts are stated in millions of Swiss francs (CHF million), unless otherwise indicated. The policies set out below have been consistently applied to all the periods presented, unless otherwise stated. Where necessary, prior-year comparative information has been reclassified or extended from the previously reported consolidated financial statements to take into account any presentational changes.

Changes in accounting policies The new or revised standards and interpretations published by the International Accounting Standards Board (IASB) and implemented on 1 January 2015 had no significant impact on the consolidated accounts presented here. Published standards or interpretations that will only come into effect for the financial years from 1 January 2016 and beyond will not be applied at an earlier date.

Future standards not yet adopted The following new and revised standards and interpretations had been approved by the time the consolidated financial statements were authorised for issue by the board of directors.

Standard/Interpretation		Effective date	Planned application
New standards			
IFRS 9	Financial instruments	1 January 2018	2018
IFRS 15	Revenue from contracts with customers	1 January 2018	2018
IFRS 16	Leases	1 January 2019	2019
Revised standards			
Various	Various amendments and annual improvements to IFRS/IAS		

Bucher Industries continually assesses the possible impact of the new and revised standards and interpretations. At the present, the impact of the new standards on the assets, finances and earnings situation of Bucher Industries cannot be reliably assessed. The revised standards and interpretations are not expected to have a significant impact on the result or the financial situation.

Management's assumptions and estimates The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements. All estimates and judgements are reviewed regularly. They are based on historical experience and expectations of future events. Actual outcomes may differ from these estimates. The consolidated financial statements will be modified as appropriate in the reporting year in which the circumstances change. Assumptions and estimates in the following areas have a significant influence on the consolidated financial statements.

- Impairment of non-financial assets, in particular in the assessment of the carrying value of goodwill items
- Formation of long-term provisions
- Determination of the amount of current and deferred income tax assets and liabilities
- Actuarial calculations of defined benefit obligations

More information is given in the group accounting policies and notes.

Basis of consolidation The consolidated financial statements incorporate the financial statements of Bucher Industries AG and all its Swiss and foreign group entities (subsidiaries) where the company exercises control by directly or indirectly holding more than 50% of the voting rights or has acquired control through contractual arrangements. Using the full consolidation method, all assets, liabilities, income and expenses of the consolidated entities are included in the consolidated financial statements. Subsidiaries acquired during the year are consolidated from the date on which control is transferred to the Group and those disposed of are deconsolidated from the date that control ceases. Equity and profit or loss attributable to non-controlling interests are presented as separate line items in the consolidated balance sheet and income statement. All intercompany balances, transactions, cash flows, realised and unrealised profits are eliminated in the consolidated financial statements. The acquisition method is used to account for business combinations. Under this method, the acquiree's assets, liabilities and contingent liabilities are measured at their fair values using uniform group accounting policies. Any excess of the cost of acquisition over the fair value of the net assets acquired is recorded as goodwill. Any negative difference is recognised directly in the income statement in the reporting period. For each merger, the non-controlling interests are either carried at fair value or according to the proportion of net assets. Upon acquisition of non-controlling interests in a fully consolidated entity, any difference between the purchase price and the carrying amount of such non-controlling interests is recognised directly in retained earnings. Transaction costs are booked as expenses in the income statement. Any reduction in ownership interest that does not result in a loss of control is also recognised in equity.

Associates Associates are those entities in which Bucher Industries has significant influence, but not control, over the financial and operating policy decisions. A significant influence can generally be assumed with voting rights of 20% to 50%. Investments in associates are initially recognised at cost. Cost comprises the proportionate net asset and any goodwill. As part of the subsequent valuation, the equity method is used to adjust the carrying amount of the interest for proportionate earnings, less the proportionate profit disbursement. Adjustments are made if there is any objective evidence of a permanent impairment in value.

Foreign currency translation The individual financial statements of each of the Group's foreign entities are presented in the currency of the primary economic environment in which the entity operates (its functional currency). Within Bucher Industries, the functional currency is generally the local currency of the respective country. The consolidated financial statements are presented in Swiss francs, which is both the functional and presentation currency of Bucher Industries AG. For group entities that have a functional currency different from the Group's presentation currency, assets and liabilities are translated into Swiss francs at closing (middle) exchange rates at the date of the balance sheet, while items in the income statement and cash flow statement are translated at average exchange rates for the year (average of the twelve month-end middle exchange rates). Translation differences arising on consolidation are carried under other comprehensive income and are transferred to the income statement as profit or loss when a foreign operation is sold or liquidated. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Realised and unrealised foreign currency translation gains and losses relating to operating activities are presented within operating profit, while those relating to financing transactions are presented within net financial items. Derivative financial instruments used to hedge foreign currency risk exposures associated with assets and liabilities and with expected future cash flows are measured at fair value, with changes in the fair value recognised in the income statement. Exceptions are transactions designated for hedge accounting where gains and losses are recognised in other comprehensive income.

Segment reporting Segments are defined using the management approach. Although they are technologically related, the segments are quite distinct from each other in terms of products and sales markets. Responsibility for the management and performance of the segments is therefore decentralised. Assets, liabilities, income and expenses can be clearly allocated to the segments. Sales between segments are set on an arm's length basis.

Financial assets Financial assets are classified into the categories "held at fair value through profit or loss", "loans and receivables at amortised cost", "available-for-sale" and "held-to-maturity". The classification depends on the purpose for which the financial assets were acquired. All financial assets are initially recognised at fair value, plus transaction costs in the case of financial instruments not recognised in income at fair value. Purchases and sales are recognised on the date of payment and delivery (settlement date). Management assesses at each reporting date whether there is any indication that an asset may be permanently impaired. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

"Held at fair value through profit or loss" Subsequent to initial recognition, money market instruments included in cash and cash equivalents, and derivative financial instruments are measured at fair value, with changes in fair value recognised in the income statement. Derivative financial instruments are recorded as other receivables or other payables as applicable.

“Loans and receivables at amortised cost” These include non-derivative financial assets such as loans and receivables with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortised cost using the effective interest method. If they become impaired or uncollectible, they are provided for in the income statement.

“Available-for-sale” Available-for-sale financial assets are non-derivatives that are either designated in this category or cannot be classified in any of the other categories. These assets are generally carried at fair value. If their fair value cannot be reliably determined, they are recognised at cost. Unrealised gains or losses are recognised in other comprehensive income as the “net change in fair value reserve” until they are realised. Interest is calculated using the effective interest method and recognised in the income statement. When an asset is disposed of or determined to be permanently impaired, the cumulative gains or losses recognised in other comprehensive income are taken to the income statement for the period.

“Held-to-maturity” Held-to-maturity investments comprise assets with fixed maturity and fixed or determinable payments that the Group has the positive intention and ability to hold to maturity. These financial assets are measured at amortised cost using the effective interest method. Gains or losses on disposal, permanent impairment losses or amortisation are recognised in the income statement.

Cash and cash equivalents Cash and cash equivalents are defined as short-term, liquid financial investment that are readily convertible to defined cash amounts within a three month period and subject to insignificant risk of changes in value. These include cash on hand, post-office and bank balances as well as short-term time deposits. There are no restrictions on cash and cash equivalents.

Short-term investments Short-term investments comprise marketable, readily realisable investments (equities, bonds, money market instruments) classified as “available-for-sale” and “Held at fair value through profit or loss”. Fair value is determined by reference to quoted market prices.

Receivables Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method, net of specific provisions for known credit and country transfer risks. Allowances based on historical experience are made for risks associated with receivables not specifically identified as impaired. Provisions for impairment are included in other operating expenses.

Other financial assets These assets include long-term investments (of less than 20%), long-term loans and other miscellaneous financial assets. Long-term loans are carried as “loans and receivables” and valued at amortised cost. The other financial assets can additionally be classified as “available-for-sale” and correspondingly measured at fair value. Charges and credits to the income statement are recorded in finance income.

Derivative financial instruments and hedging activities Derivative financial instruments, such as forward contracts and options, are used to hedge exposure to interest rate and foreign currency fluctuations. They are initially recognised in the balance sheet and subsequently remeasured at fair value based on quoted market prices at the reporting date. Unrealised gains and losses on contracts to hedge operating cash flows are taken to operating profit, while those on contracts to hedge financing activities are taken to finance income and finance costs. Derivative financial instruments are recorded as other receivables or other payables as applicable.

Hedge accounting The Group uses hedge accounting to hedge selected transactions within the meaning of IAS 39. In so doing, future cash flows with a high probability of occurrence are hedged using cash flow hedges. Fair value hedges and net investment hedges were not used. At the inception of the hedge, Group treasury identifies and documents transactions which are designated as a hedged item for hedge accounting purposes. The effectiveness of a hedge instrument in terms of the cash flow hedged is checked and documented both on the date it is concluded and also during the entire term of the hedge. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. The non-effective portion is recorded in the income statement. Amounts accumulated in other comprehensive income are transferred to the income statement when the underlying transaction has been booked or the conditions for hedge accounting no longer apply.

Inventories Inventories are stated at the lower of cost and net realisable value. Cost is determined using either the weighted average or first-in, first-out method. The same method is used for inventories having a similar nature and use to the company. Where necessary, provision is made for all foreseeable losses on inventories of work in progress, goods and slow-moving items, with write-downs recognised in changes in inventories of finished goods and work in progress.

Property, plant and equipment Property, plant and equipment are stated at historical cost less accumulated depreciation. The different components are accounted for as separate items. Expenditure on improvements is capitalised. The costs of repairs, maintenance and replacements are charged to the income statement as they are incurred. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. Land is stated at cost and is not depreciated. The residual useful lives of property, plant and equipment are reviewed periodically. The Group has determined the following useful lives:

	Years
Buildings and Infrastructure	10 – 50
Plant and machinery	5 – 12
Furniture, fixtures and equipment	2 – 15

Low value assets are expensed directly to the income statement.

Intangible assets Goodwill, licences, patents, trademarks, customer lists, supplier relationships, software and similar rights are recognised as purchased intangible assets. Intangible assets are capitalised only if they will generate sustainable economic benefits. They are generally measured using the cost model. Intangible assets with finite useful lives are amortised on a straight-line basis over their expected residual lives, ranging from five to twenty years depending on the asset. Goodwill on acquisitions is not amortised, but is capitalised and tested for impairment annually or whenever there are indications of possible impairment. Expenditure on research activities is recorded as an expense in the period in which it is incurred. Development costs are capitalised and amortised over their useful lives only if the future economic benefits will be sufficient to recover the development costs and if the other criteria required by IAS 38 are met. Development costs that do not meet these criteria are expensed directly through the income statement.

Impairment of non-financial assets For goodwill, impairment is tested at least annually, while other assets are reviewed for impairment whenever there is an indication that they may be impaired. When there are indications of permanent impairment, the asset's recoverable amount is determined and compared with its current carrying amount. If the carrying amount exceeds the recoverable amount, the carrying amount is written down accordingly. Such impairment losses are recognised in the income statement. To enable impairment tests to be carried out on non-financial assets, these are consolidated as cash-generating units. Definition and differentiation vary from division to division. Goodwill is allocated to the cash-generating units or group of cash-generating units that are expected to benefit from the respective business combination. The recoverable amount of the cash-generating unit is determined on the basis of the value-in-use, which is influenced essentially by the cash flow projections, the discount rate before taxes (WACC) and the long-term growth rate. These calculations are based on the expected market trends and require the application of various assumptions and estimates. Actual cash flows may differ from those expected. Write-ups are performed if, in subsequent periods, the recoverable amount is higher than the book value. Assets are written up at most to the amount that would have resulted if the impairment had not been performed. Impairment losses on goodwill are not reversed.

Borrowing costs Borrowing costs for assets that require a substantial period of preparation until ready for their intended use are capitalised from the start of the construction phase until commissioning. The amount of borrowing costs to be capitalised depends on the actual costs incurred in connection with the borrowing of funds for the specific asset. All other borrowing costs are expensed on an accrual basis directly in the period they occur.

Discontinued operations and non-current assets held for sale Non-current assets or groups of non-current assets are reclassified as being held for sale if the associated carrying amount is mostly to be realised by the sale and not from continued use. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and any impairment losses are recognised in the income statement.

Financial liabilities Financial liabilities include short-term and long-term borrowings, trade payables and other payables. Financial liabilities are initially recognised at fair value plus any directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. A financial liability is derecognised when the obligation underlying this liability has been fulfilled, terminated or has expired.

Provisions A provision is recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required in the future to settle the obligation, and the amount can be reliably estimated. However, actual cash outflows and their timing may differ significantly depending on the outcome of events. Restructuring provisions are recognised only when the Group has a detailed formal plan for restructuring and has announced or already started to implement the restructuring plan. Future losses are not provided for. Provisions are valued at the cash value of the anticipated costs.

Equity/treasury shares Retained earnings include amounts paid in by shareholders in excess of the par value of shares (share premium). Treasury shares are recorded as a deduction from equity. Realised gains or losses on the sale of treasury shares are also recognised in equity as a component of retained earnings. The same applies to the cost of share-based payments (share plans). Dividends are charged to equity in the period in which they are approved by the general meeting of shareholders.

Net sales/revenue recognition Revenues are measured at the fair value of the consideration received, net of value-added tax and sales deductions such as sales incentives, commissions, rebates and trade discounts. Bucher Industries books revenues when the amount can be reliably assessed and the likelihood of a future economic benefit is clear. The sale of goods and services is recognised when the service is rendered or when the risks and rewards of ownership have been transferred. The timing of the transfer depends, amongst other things, on specific contract criteria or the agreed international commercial terms (Incoterms). The rendering of services is based on agreements with the customer. Revenue from services rendered is recognised by reference to the stage of completion.

Interest income/dividend Interest income is recorded over the anticipated term, so that it reflects the effective income on an asset. Dividends are recorded if shareholders are able to assert a legal claim.

Income tax The tax expense for the period comprises current and deferred income tax. Tax is recognised in the income statement, except where it relates to items recognised directly in other comprehensive income or in equity. In this case, the tax is also recognised in the corresponding account.

Current income tax Current income tax is calculated on the basis of the local tax laws enacted at the reporting date in the countries where the group entities operate and generate taxable income. Provision is made for all current tax liabilities. Taxes that are not based on taxable profit are charged to other operating expenses.

Deferred income tax In measuring deferred income tax assets and liabilities, the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements are determined at individual group entity level (balance sheet liability method). Deferred income tax assets and liabilities are measured and recognised using tax rates and laws that have been enacted or substantially enacted in the respective countries by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Potential tax benefits arising from tax losses carried forward and temporary differences are reviewed annually and recognised only to the extent that it is probable that they will be realised through future taxable profits against which the losses can be utilised. Assessing the probability of realising potential tax savings is based on planning data and requires assumptions and estimates to be made. Deferred tax liabilities connected with non-distributed profits for group companies and associated companies are taken into account unless the Group can fully determine the disbursement policy for the corresponding companies and if no dividend payments are to be expected in the foreseeable future, and also for the initial recognition of goodwill or of assets and liabilities that do not affect taxable profit.

Retirement benefits Bucher Industries operates a number of defined benefit and defined contribution pension plans. In the case of defined contribution plans, contributions are paid in on the basis of a statutory or contractual obligation, or on a voluntary basis. Apart from these contributions, there are no other payment obligations. Defined benefit obligations are calculated by independent actuaries using the projected unit credit method every one to three years, depending on the materiality of the pension plan. Actuarial calculations of defined benefit obligations are based on statistical and actuarial assumptions, such as expected inflation rates, future salary increases, probable turnover rates and life expectancies of plan members, as well as discount rates, which may deviate from actual future developments. Actuarial gains and losses are recognised to the full amount in other comprehensive income in the period in which they occur. The Group's contributions to past service costs and benefit entitlements arising from changes in the plans are charged to the income statement. Surpluses in pension schemes are only recognised when they are actually available to the Group in the form of future contributions or reductions in future contributions to the plan.

Share-based payments In the reporting period, the Bucher share-based payment schemes (the Bucher Executive Share Plan and the Bucher Share Plan) were harmonised and consolidated in a new Bucher Share Plan. The merger saw the end of co-investment in the company's shares. Further changes concern calculation and valuation of the number of shares. The share option plans remain valid for the options awarded in previous years.

Bucher Share Plan The harmonised Bucher Share Plan (BPP) is a share-based, performance-related component of remuneration for the members of group management, senior managers in the divisions and selected specialists. The annual financial targets for the award of shares are set by the board of directors at the beginning of each financial year, taking into account the Group's long-term targets, results for the past year, budget for the current year and the general economic conditions. Awards are based on a percentage of basic salary as well as the achievement of the Group's annual financial "earnings per share" target. The shares awarded are calculated using the average share price on the balance sheet date. The number of shares to be awarded to the members of group management is subject to the approval of the annual general meeting. This is granted retrospectively. The share price on the reporting date is taken as the best estimate for valuation of the plans. The costs are recognised in the income statement on an accrual basis, with a corresponding entry in equity. In the following year, the estimate is adjusted to take account of the share price at the date of approval of the income statement. The shares required for awards under the Bucher Share Plan are purchased in the open market and held by Bucher Beteiligungs-Stiftung, a consolidated employee share ownership trust.

Leases A finance lease is defined as a lease that transfers substantially all the risks and rewards of ownership of an asset. Ownership may or may not eventually be transferred. An operating lease is a lease other than a finance lease. Bucher Industries enters into contracts both as lessor and lessee.

Group as lessee Assets held under finance leases in which Bucher Industries acts as lessee are, on initial recognition, capitalised at the lower of their fair value and the present value of the future minimum lease payments and are then depreciated over the shorter of their estimated useful lives and the lease term. The corresponding obligations are carried as liabilities. In the case of operating leases, payments are charged to the income statement on a straight-line basis over the lease term.

Group as lessor Assets held under finance leases in which Bucher Industries acts as lessor are recorded as receivables with a value equivalent to the amount of the net investment. Leasing income from finance leases is recognised according to the effective-interest-rate method over the lease term.

Government grants Grants from the government are recognised only where there is a reasonable assurance that all attached conditions will be complied with and the grant will be received. They are recognised at their fair value. They are recognised at their fair value. The grants are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Notes to the consolidated financial statements

1 Segment reporting

The Group comprises five divisions: specialised agricultural machinery (Kuhn Group), municipal vehicles (Bucher Municipal), hydraulic components (Bucher Hydraulics), manufacturing equipment for the glass container industry (Bucher Emhart Glass), equipment for making wine, fruit juice, instant products and beer, and for dewatering sewage sludge, a Swiss distributorship for tractors and agricultural machinery, and control systems for automation technology (Bucher Specials).

Segment information

CHF million	Net sales		Depreciation		Amortisation		Operating profit (EBIT)	
	2015	2014	2015	2014	2015	2014	2015	2014
Kuhn Group	1 068.3	1 261.9	30.3	30.3	11.2	12.5	108.6	152.7
Bucher Municipal	384.4	418.7	7.3	7.0	0.6	0.7	32.5	32.2
Bucher Hydraulics	461.4	475.4	16.6	17.6	2.1	2.3	53.1	48.5
Bucher Emhart Glass	359.8	389.2	9.4	10.0	2.4	2.4	23.8	15.2
Bucher Specials	257.2	304.5	3.3	3.8	3.6	3.8	12.9	27.1
Reportable segments	**2 531.1**	**2 849.7**	**66.9**	**68.7**	**19.9**	**21.7**	**230.9**	**275.7**
Other/consolidation	– 40.7	– 44.1	2.3	2.2	–	–	– 23.8	– 18.5
Group	**2 490.4**	**2 805.6**	**69.2**	**70.9**	**19.9**	**21.7**	**207.1**	**257.2**

The performance of each of the divisions is evaluated on the basis of operating profit or loss, which is measured consistently for management reporting. The figures reported as "other/consolidation" comprise the results of the holding, finance and management companies, as well as consolidation adjustments for intersegment transactions. Intersegment sales amounted to CHF 10.6 million (2014: CHF 11.9 million) for Kuhn Group, CHF 3.6 million (CHF 4.3 million) for Bucher Hydraulics and CHF 26.3 million (CHF 27.8 million) for Bucher Specials. Intersegment sales in the other divisions were only marginal.

CHF million	Capital expenditure		Goodwill		Operating assets		Operating liabilities	
	2015	2014	2015	2014	2015	2014	2015	2014
Kuhn Group	30.5	65.9	61.7	77.7	817.5	977.4	387.9	478.6
Bucher Municipal	9.2	9.8	5.1	5.9	227.3	247.0	86.0	97.6
Bucher Hydraulics	28.9	20.2	3.0	4.5	312.2	315.6	58.8	59.1
Bucher Emhart Glass	8.7	10.8	22.0	23.2	362.4	385.6	106.6	105.9
Bucher Specials	2.6	3.9	3.9	4.3	146.0	166.8	51.3	70.7
Reportable segments	**79.9**	**110.6**	**95.7**	**115.6**	**1 865.4**	**2 092.4**	**690.6**	**811.9**
Other/consolidation	2.0	5.7	17.8	17.7	28.5	33.5	– 13.9	– 11.4
Group	**81.9**	**116.3**	**113.5**	**133.3**	**1 893.9**	**2 125.9**	**676.7**	**800.5**

Operating assets include current and non-current receivables, inventories, property, plant and equipment and intangible assets. Operating liabilities comprise trade payables, advances from customers, other payables and provisions.

Reconciliation of segment profit

CHF million

	2015	2014
Segment operating profit (EBIT)	230.9	275.7
Other/consolidation	–23.8	–18.5
Group operating profit (EBIT)	**207.1**	**257.2**
Share of profit/(loss) of associates	0.4	1.5
Finance costs	–15.9	–20.9
Finance income	2.2	6.2
Profit before tax	**193.8**	**244.0**

Reconciliation of segment assets

CHF million

	2015	2014
Segment operating assets	**1 865.4**	**2 092.4**
Other/consolidation	28.5	33.5
Group operating assets	**1 893.9**	**2 125.9**
Cash and cash equivalents and short-term investments	374.8	369.2
Other financial assets	12.9	31.4
Other assets	4.8	1.9
Investments in associates	11.2	12.3
Deferred income tax assets	56.0	63.8
Group assets	**2 353.6**	**2 604.5**

Reconciliation of segment liabilities

CHF million

	2015	2014
Segment operating liabilities	**690.6**	**811.9**
Other/consolidation	–13.9	–11.4
Group operating liabilities	**676.7**	**800.5**
Current financial liabilities	26.0	106.1
Non-current financial liabilities	359.2	348.1
Other payables	5.1	8.3
Deferred income tax liabilities	51.7	57.2
Retirement benefit obligations	80.8	82.7
Group liabilities	**1 199.5**	**1 402.9**

Net sales and assets by region

CHF million	Net sales		Property, plant and equipment and intangible assets	
	2015	**2014**	**2015**	**2014**
Switzerland	105.2	126.8	98.0	105.3
Germany	341.6	411.8	79.2	91.0
France	308.8	374.3	123.2	140.1
Rest of Europe	695.3	789.8	168.9	185.0
North America	575.9	568.6	157.7	150.4
Central and South America	129.7	175.7	76.5	118.3
Asia	208.5	220.2	77.8	83.0
Other	125.4	138.4	13.2	14.6
Total	**2 490.4**	**2 805.6**	**794.5**	**887.7**

Net sales have been allocated to the countries of destination.

2 Change in scope

Acquisitions and disposals No significant acquisitions or disposals were made in the current reporting period. The purchase price allocations of the Kuhn-Montana and Rever S.r.l. acquisitions were completed in the current reporting period. At Rever S.r.l. the finalised valuations resulted in a restatement of property, plant and equipment as well as of taxes in the amounts of CHF 0.2 million and CHF 0.1 million respectively.

CHF million	**2015**	**2014**
Current assets	–	36.2
Non-current assets	0.2	71.1
Current liabilities	− 0.1	− 59.5
Non-current liabilities	0.2	− 28.3
Net assets	**0.3**	**19.5**
Goodwill	− 0.3	49.5
Total purchase consideration	**–**	**69.0**
Cash and cash equivalents	–	− 5.5
Contingent consideration	–	− 2.3
Deferred consideration	–	− 3.5
Contingent consideration relating to previous years	0.1	5.0
Deferred consideration relating to previous years	2.9	–
Net cash flow on acquisitions	**3.0**	**62.7**

Deferred payments relating to previous years arose in connection with the 2014 acquisitions of Kuhn-Montana and Rever S. r. l. of CHF 1.5 million and CHF 1.4 million respectively.

Acquisition of non-controlling interest Jetter AG Through the purchase of further shares, Bucher Industries' stake increased by 4.0% to 100.0%. The purchase price amounting to CHF 2.3 million was recognised as "acquisition of non-controlling interests" in "net cash flow from financing activities". The increase in the controlling interest led to a change in non-controlling interests in the statement of equity in the amount of CHF 1.0 million. The difference between the purchase price and the pro-rata carrying amount of CHF 1.3 million was recognised in retained earnings.

3 Short-term investments

CHF million	2015	2014
Money market investment	2.8	3.4
Bonds	25.8	28.0
Short-term investments	**28.6**	**31.4**

Changes in fair value recognised in other comprehensive income, net of tax, amounted to CHF 0.5 million (2014: CHF 0.6 million.).

4 Receivables

CHF million	Current	Non-current	Total	Current	Non-current	Total
			2015			2014
Trade receivables	412.7	0.9	413.6	462.1	0.1	462.2
Notes receivable	10.0	–	10.0	12.4	–	12.4
Finance lease receivables	5.8	0.8	6.6	4.0	4.1	8.1
Trade receivables, net	**428.5**	**1.7**	**430.2**	**478.5**	**4.2**	**482.7**
Other receivables	32.7	1.0	33.7	40.8	1.3	42.1
Prepayments to suppliers	4.4	–	4.4	7.5	–	7.5
Derivative financial instruments	4.7	0.1	4.8	1.8	0.1	1.9
Accrued income	6.8	–	6.8	6.4	–	6.4
Other receivables	**48.6**	**1.1**	**49.7**	**56.5**	**1.4**	**57.9**
Receivables	**477.1**	**2.8**	**479.9**	**535.0**	**5.6**	**540.6**

Ageing analysis of trade receivables

CHF million	2015	2014
Trade receivables, gross	451.4	503.8
Amount provided for	– 21.2	– 21.1
Receivables, net	**430.2**	**482.7**
Not due	356.0	410.0
Not due, amount provided for	– 4.2	– 6.1
Past due, within 30 days	36.5	40.2
Past due, from 31 to 90 days	18.4	19.5
Past due, more than 90 days	40.5	34.1
Past due, amount provided for	– 17.0	– 15.0

The due dates of trade receivables are constantly monitored. The sum overdue relates to trade receivables whose agreed payment deadline has been exceeded.

Movements in the provision for impairment of trade receivables

CHF million	2015	2014
Balance at 1 January	21.1	16.9
Exchange differences	– 2.9	– 0.5
Acquisition/disposal of subsidiaries	–	2.3
Provision for receivables impairment	6.8	5.8
Unused amounts reversed	– 2.2	– 2.9
Receivables written-off during the year as uncollectible	– 1.6	– 0.5
Balance at 31 December	**21.2**	**21.1**

5 Inventories

CHF million	2015	2014
Raw materials and consumables	144.1	156.7
Work in progress	154.9	146.5
Finished goods and goods for resale	303.8	365.5
Inventories	**602.8**	**668.7**
Change of write-downs	11.0	11.5

In the reporting period, CHF 0.2 million was written off directly via the income statement (2014: CHF 0.1 million.

6 Property, plant and equipment

CHF million	Land and buildings	Plant and machinery	Furniture, fixtures and equipment	Prepayments and assets under construction	Total
					2015
Cost at 1 January	603.9	506.6	218.5	51.8	1 380.8
Exchange differences	− 44.9	− 37.9	− 15.7	− 4.2	− 102.7
Acquisition/disposal of subsidiaries	–	0.2	–	–	0.2
Additions	20.4	25.7	13.2	15.6	74.9
Disposals	− 1.2	− 11.1	− 14.1	− 0.8	− 27.2
Transfers	16.3	24.9	2.3	− 43.5	–
Cost at 31 December	**594.5**	**508.4**	**204.2**	**18.9**	**1 326.0**
Accumulated depreciation at 1 January	227.2	357.6	161.2	–	746.0
Exchange differences	− 14.8	− 26.8	− 11.5	–	− 53.1
Acquisition/disposal of subsidiaries	–	–	–	–	–
Disposals	− 0.5	− 10.6	− 13.9	–	− 25.0
Depreciation for the year	20.9	32.0	16.3	–	69.2
Accumulated depreciation at 31 December	**232.8**	**352.2**	**152.1**	**–**	**737.1**
Net book value at 31 December	**361.7**	**156.2**	**52.1**	**18.9**	**588.9**
					2014
Cost at 1 January	556.6	472.7	206.2	25.9	1 261.4
Exchange differences	1.9	− 1.8	0.8	0.7	1.6
Acquisition/disposal of subsidiaries	19.4	7.6	3.4	1.0	31.4
Additions	26.6	22.7	15.7	47.1	112.1
Disposals	− 8.4	− 6.5	− 10.6	− 0.2	− 25.7
Transfers	7.8	11.9	3.0	− 22.7	–
Cost at 31 December	**603.9**	**506.6**	**218.5**	**51.8**	**1 380.8**
Accumulated depreciation at 1 January	210.8	330.2	150.7	–	691.7
Exchange differences	− 0.1	− 2.2	− 0.1	–	− 2.4
Acquisition/disposal of subsidiaries	1.1	3.3	2.4	–	6.8
Disposals	− 5.0	− 5.9	− 10.1	–	− 21.0
Depreciation for the year	20.4	32.2	18.3	–	70.9
Accumulated depreciation at 31 December	**227.2**	**357.6**	**161.2**	**–**	**746.0**
Net book value at 31 December	**376.7**	**149.0**	**57.3**	**51.8**	**634.8**

The net book value of assets under finance leases amounted to CHF 19.8 million in the reporting year (2014: CHF 24.9 million).

7 Intangible assets

CHF million	Goodwill	Trademarks	Customer relation	Licences/ Patents	Other	Total
						2015
Cost at 1 January	229.6	45.2	70.9	183.2	24.0	552.9
Exchange differences	−27.3	−6.2	−6.8	−18.7	−2.4	−61.4
Acquisition/disposal of subsidiaries	−0.3	–	–	–	–	−0.3
Additions	–	–	–	6.6	0.4	7.0
Disposals	–	–	–	−0.6	−0.8	−1.4
Cost at 31 December	**202.0**	**39.0**	**64.1**	**170.5**	**21.2**	**496.8**
Accumulated amortisation at 1 January	96.3	18.8	15.8	150.2	18.9	300.0
Exchange differences	−7.8	−1.1	−0.7	−16.1	−1.6	−27.3
Acquisition/disposal of subsidiaries	–	–	–	–	–	–
Disposals	–	–	–	−0.6	−0.8	−1.4
Amortisation for the year	–	3.3	4.6	10.2	1.8	19.9
Impairment charge	–	–	–	–	–	–
Accumulated amortisation at 31 December	**88.5**	**21.0**	**19.7**	**143.7**	**18.3**	**291.2**
Net book value at 31 December	**113.5**	**18.0**	**44.4**	**26.8**	**2.9**	**205.6**
						2014
Cost at 1 January	173.2	27.1	51.7	183.5	22.3	457.8
Exchange differences	6.9	0.7	3.3	−2.6	−0.4	7.9
Acquisition/disposal of subsidiaries	49.5	17.4	15.9	–	1.3	84.1
Additions	–	–	–	3.3	0.9	4.2
Disposals	–	–	–	−1.0	−0.1	−1.1
Cost at 31 December	**229.6**	**45.2**	**70.9**	**183.2**	**24.0**	**552.9**
Accumulated amortisation at 1 January	92.9	14.1	10.1	142.0	17.2	276.3
Exchange differences	3.4	0.8	1.1	−2.4	−0.3	2.6
Acquisition/disposal of subsidiaries	–	–	–	–	0.4	0.4
Disposals	–	–	–	−0.9	−0.1	−1.0
Amortisation for the year	–	3.9	4.6	11.5	1.7	21.7
Impairment charge	–	–	–	–	–	–
Accumulated amortisation at 31 December	**96.3**	**18.8**	**15.8**	**150.2**	**18.9**	**300.0**
Net book value at 31 December	**133.3**	**26.4**	**55.1**	**33.0**	**5.1**	**252.9**

In the reporting year, no research and development costs were capitalised in intangible assets (2014: CHF 0.1 million). Research and development costs mainly comprise expenditure to update and extend the divisions' product and service offerings and are included in raw materials and consumables used, employment costs, other operating expenses and depreciation of property, plant and equipment. Research and development costs of CHF 96.1 million (CHF 102.4 million) were charged to the income statement.

Assessment of the recoverability of goodwill positions The management of Bucher Industries has long monitored the recoverability of goodwill positions at divisional level for Kuhn Group, Bucher Municipal, Bucher Hydraulics and Bucher Emhart Glass as well as for the individual companies of Bucher Specials. The cash-generating units at divisional and individual company level were grouped together as a consequence. Growth rates and weighted average capital costs were adjusted accordingly to ensure comparability. Consolidation of the cash-generating units had no effect on the assessment of the impairment test. Bucher Industries uses the discounted cash flow method to assess the recoverability of goodwill, based on value in use. The calculations were based on the financial budgets for the next three years (2016–2018). These budgets take account of the latest group management estimates regarding sales and prices as well as operating costs and are based on the assumption of no significant organisational cases. Cash flows beyond the budget period were estimated on the basis of prudently calculated growth rate projections. The growth rates and weighted average capital costs take account of specific weighted country and currency risks. The cost of equity was determined using the capital-asset pricing model.

Allocation of goodwill to cash-generating units

CHF million	Growth rates	WACC [1]	Goodwill	Growth rates	WACC [1]	Goodwill	Goodwill
	%	**%**	**2015**	**%**	**%**	**2014 [2]**	**2014**
Kuhn Group	2.3	8.6	61.7	1.8	9.1	77.7	77.7
Bucher Municipal	1.6	7.5	5.1	1.6	8.3	5.9	5.9
Bucher Hydraulics	1.1	7.3	20.8	0.8	7.2	22.2	4.5
Bucher Emhart Glass	1.5	7.1	22.0	1.3	8.0	23.2	23.2
Bucher Specials	0.2–1.6	6.0–7.1	3.9	0.4–1.7	6.3–8.5	4.3	4.3
Other/consolidation [3]	n.a.	n.a.	–	n.a.	n.a.	–	17.7
Goodwill			**113.5**			**133.3**	**133.3**

1) Pre-tax
2) Adjusted to the new grouping
3) The goodwill is recognised in the Bucher Industries US holding company and for impairment testing was allocated in its entirety to the Bucher Hydraulics division.

Sensitivity analysis The sensitivity analysis conducted by management shows that, in all cash-generating units, neither a reduction of growth rates in the residual value to 0%, nor an increase in weighted average capital costs by 0.5% percentage points would affect the result of the impairment test.

8 Other financial assets

CHF million

	2015	2014
Pension asset	1.1	14.9
Long-term loans	10.4	13.8
Other	1.4	2.7
Other financial assets	**12.9**	**31.4**

At the beginning of the reporting period the pension plans in Switzerland were consolidated. In this connection, CHF 9.7 million of the employer contribution reserves were used. The remaining amount of CHF 3.8 million was offset against the retirement benefit obligations. Note 20 provides further information on the defined retirements benefits.

9 Investments in associates

CHF million

	2015	2014
Balance at 1 January	12.3	11.5
Exchange differences	−1.2	−0.3
Additions	–	–
Disposals	–	–
Share of profit/(loss)	0.4	1.5
Share of other comprehensive income	–	–
Dividends received	−0.3	−0.4
Balance at 31 December	**11.2**	**12.3**

Aggregated financial information – associates

CHF million

	2015	2014
Profit/(loss) for the year	1.5	5.5
Other comprehensive income	–	–
Comprehensive income	**1.5**	**5.5**

10 Financial liabilities

CHF million	2015	2014
Bonds and private placements	219.5	267.6
Other bank borrowings	117.8	138.3
Finance lease liabilities	17.2	22.9
Loans and other financial liabilities	30.7	25.4
Financial liabilities	**385.2**	**454.2**
Current portion	26.0	106.1
Non-current portion	359.2	348.1

Bonds

CHF million	Company	Term	Currency	Nominal value	Effective interest rate	Total 2015	Total 2014
Private placement, US 4.290%	Bucher Industries AG	2003–2015	CHF	20.0	4.3%	–	20.0
Bond, Switzerland 0.625%	Bucher Industries AG	2014–2020	CHF	100.0	1.3% [1)]	99.5	99.4
Bond, Switzerland 1.375%	Bucher Industries AG	2014–2024	CHF	100.0	1.4%	100.0	100.0
Bond, Brazil, CETIP + margin	Kuhn do Brasil S/A	2014–2015	BRL	50.0	14.7%	–	18.5
Bond, Brazil, CETIP + margin	Kuhn do Brasil S/A	2014–2017	BRL	80.0	15.3%	20.0	29.7
Bonds and private placements						**219.5**	**267.6**

1) Additionally includes percentage points from interest-rate forward contracts

Other bank borrowings include CHF 75.0 million (2014: CHF 85.0 million) in bilateral loans from committed credit facilities as well as CHF 42.8 million (CHF 53.3 million) from uncommitted credit facilities. The bilateral loans bear interest at rates of between 0.75% and 1.37% and are due for repayment from 2017 to 2022. Undrawn committed credit facilities on 31 December totalled CHF 280.0 million (CHF 285.0 million).

The financial covenants are reviewed every six months. All terms of credit were complied with on the reporting date of 31 December 2015.

11 Provisions

CHF million	Warranties	Legal claims	Other	Total	Total
				2015	2014
Balance at 1 January	43.9	22.9	10.9	77.7	71.5
Additional provisions	30.8	5.3	1.2	37.3	45.7
Unused amounts reversed	– 2.9	– 3.2	– 1.9	– 8.0	– 13.5
Used during year	– 30.2	– 2.6	– 2.0	– 34.8	– 41.7
Acquisition/disposal of subsidiaries	–	–	–	–	16.5
Exchange differences	– 4.2	– 4.8	– 0.9	– 9.9	– 0.8
Balance at 31 December	**37.4**	**17.6**	**7.3**	**62.3**	**77.7**
Current portion	36.2	12.2	2.1	50.5	61.5
Non-current portion	1.2	5.4	5.2	11.8	16.2

A provisions for warranty claims is recognised when the products are sold and measured on the basis of historical data for the last two years. The timing of cash outflows depends on the dates when warranty claims are filed and/or the relevant cases settled. Warranty costs incurred are charged against the provision when paid.

The provision for legal claims covers risks associated with accidents, distribution rights and patents or other legal disputes. The resources required and timing of any cash outflows are difficult to predict and are usually recognised as short-term if a decision can be expected within a one-year period. However, depending on the course of the proceedings, it may be several years before an outflow of resources actually occurs.

Other provisions concern risks associated with the Group’s industrial operations.

12 Contingent liabilities and other commitments

Contingent liabilities amounting to CHF 0.9 million (2014: CHF 1.2 million) consist of guarantees given in respect of goods sold and services provided. The amount represents the maximum amount of the obligations assumed. It is not anticipated that any outflows of funds will arise from these contingent liabilities.

Other commitments As in the previous year, the Group did not enter into any commitments to purchase plant and equipment. Commitments relating to operational leases are disclosed in note 24.

13 Other payables

CHF million

	2015	2014
Accruals and deferred income	133.0	145.8
Social security and pensions	24.0	27.8
Sales and capital tax liabilities	29.8	32.9
Derivative financial instruments	4.4	7.7
Other liabilities	24.0	31.1
Other payables	**215.2**	**245.3**
Current portion	196.5	220.5
Non-current portion	18.7	24.8

Accruals and deferred income mainly includes accruals for employment costs such as accrued holiday and overtime pay and variable remuneration, as well as accruals for commissions and contract-related liabilities.

14 Share capital

		2015	2014
Par value	CHF	0.20	0.20
Outstanding shares	number	10 110 161	10 100 550
Treasury shares	number	139 839	149 450
In issue and ranking for dividend	**number**	**10 250 000**	**10 250 000**
Authorised but unissued	number	1 184 100	1 184 100
Issued share capital	CHF million	2.1	2.1

The share capital of Bucher Industries AG consists of one class of voting rights.

Treasury s hares

CHF million	Number of shares	2015	Number of shares	2014
Balance at 1 January	149 450	9.2	227 907	10.4
Purchases of treasury shares	19 271	4.5	9 800	2.8
Sales of treasury shares	– 3 588	– 0.1	– 24 173	– 1.1
Reissued for share-based payment schemes	– 25 294	– 1.2	– 64 084	– 2.9
Balance at 31 December	**139 839**	**12.4**	**149 450**	**9.2**

Earnings and dividend per share

	2015	2014
Profit/(loss) attributable to owners of Bucher Industries (CHF million)	138.3	187.4
Average number of shares outstanding (undiluted)	10 106 029	10 082 508
Average number of shares outstanding (diluted)	10 135 083	10 129 330
Basic earnings per share (CHF)	13.69	18.58
Diluted earnings per share (CHF)	13.65	18.50
Dividend per registered share (CHF) [1]	5.50	6.50
Total dividend (CHF million) [1]	56.4	66.6

[1] 2015: Proposed by the board of directors

The average number of shares outstanding is calculated on the basis of the number of shares issued, less the weighted average number of treasury shares held.

15 Employment costs

CHF million

	2015	2014
Wages and salaries	468.2	498.7
Share awards	2.3	2.9
Social security costs	79.5	90.3
Defined contribution costs	26.0	24.3
Defined benefit costs	12.0	13.8
Other employment costs	60.7	68.9
Employment costs	**648.7**	**698.9**

Other employment costs comprise incidental costs of staff recruitment, training and development as well as external staff costs.

16 Other operating income

CHF million

	2015	2014
Own work capitalised	0.3	0.6
Gain on sale of non-current assets	0.7	2.3
Other income	21.7	23.8
Other operating income	**22.7**	**26.7**

Other income comprises revenue from sales of goods and services that are outside the normal course of the Group’s business.

17 Other operating expenses

CHF million	2015	2014
Energy, maintenance and repairs	98.4	108.6
Charges, taxes, levies and consulting fees	35.9	39.5
Marketing and distribution costs	111.3	129.6
Insurance expenses	7.0	7.7
Operating leasing expenses	10.4	12.1
Miscellaneous operating expenses	58.3	67.9
Other operating expenses	**321.3**	**365.4**

Charges, taxes, levies and consulting fees include CHF 16.9 million (2014: CHF 17.9 million) in capital tax. Miscellaneous operating expenses include operating foreign exchange items and changes in necessary provisions for operating liabilities that cannot be charged to an appropriate expense account.

18 Net financial items

CHF million	2015	2014
Interest expense on financial liabilities	– 14.1	– 18.2
Other finance costs	– 1.8	– 2.7
Finance costs	**– 15.9**	**– 20.9**
Interest income on financial assets	1.8	3.0
Net gain on financial instruments	1.4	2.7
Financial foreign exchange gains and losses	– 1.0	0.4
Other finance income	–	0.1
Finance income	**2.2**	**6.2**
Share of profit/(loss) of associates	0.4	1.5
Net financial items	**– 13.3**	**– 13.2**
Of which financial items relating to:		
Financial instruments; at amortised cost	– 17.0	– 20.3
Financial instruments; fair value through profit or loss	3.3	5.3
Financial instruments; available-for-sale	–	0.3

In the reporting year as in 2014, no disposals on the sale of “available-for-sale” securities were effected, which would have led to a realisation, nor were any borrowing costs capitalised.

19 Income tax expense

The reconciliation is based on the tax rates applicable in the respective tax jurisdictions. The applicable tax rate represents the weighted average of the tax rates. As the Group operates in various countries, the weighted average tax rate may vary from period to period to reflect the profits in the respective countries and the impact of any changes in tax rates.

Effective income tax expense

CHF million	2015	2014
Current income tax	50.9	57.6
Deferred income tax	2.9	–3.3
Income tax expense	**53.8**	**54.3**
Reconciliation:		
Profit before tax	193.8	244.0
Weighted average tax rate	29.9%	29.9%
Theoretical income tax charge	**57.9**	**73.0**
Utilisation of unrecognised tax loss carryforwards	–3.1	–2.3
Reassessment of tax loss carryforwards with tax asset adjustment	1.1	1.6
Changes in valuation allowances on losses and on deferred tax assets	5.2	3.4
Expenses not deductible for tax purposes/income not subject to tax	–3.9	–5.1
Under/(over) provided in prior years	–	–11.8
Other differences	–3.4	–4.5
Effective income tax expense	**53.8**	**54.3**
Effective tax rate	27.8%	22.3%

Deferred income tax

CHF million	Assets	Liabilities	Assets	Liabilities
		2015		**2014**
Property, plant and equipment	0.6	–27.9	0.8	–26.5
Other non-current assets	3.3	–27.4	5.0	–37.4
Inventories	34.9	–5.9	36.7	–6.6
Other current assets	3.0	–6.5	3.9	–7.2
Provisions	5.4	–4.4	8.0	–4.8
Other liabilities	28.7	–6.0	29.0	–3.7
Tax loss carryforwards	6.5	–	9.4	–
Deferred income tax	**82.4**	**–78.1**	**92.8**	**–86.2**
Offset amounts	–26.4	26.4	–29.0	29.0
Deferred income tax assets/liabilities	**56.0**	**–51.7**	**63.8**	**–57.2**

In the reporting period, current income tax of CHF 0.5 million (2014: CHF 1.5 million) arising from the sale of treasury shares was recognised directly in equity. The tax expenses in other comprehensive income amounted to CHF 2.4 million (CHF 7.9 million) and were allocated to “Change in actuarial gains/losses on defined benefit pension plans”, “Change in fair value reserve” and “Change in cash flow hedge reserve”. In the statement of deferred tax liability, withholding tax and other taxes to be incurred by group entities on future dividends are not taken into account when the respective funds were committed to long-term reinvestments and no payout is planned.

Movements in deferred income tax

CHF million	Assets	Liabilities	Assets	Liabilities
		2015		**2014**
Balance at 1 January	63.8	−57.2	50.2	−54.5
Transfer from income tax liabilities	0.3	−0.3	–	–
Charged/credited to income statement	−3.6	0.7	−4.6	7.9
Charged/credited to other comprehensive income	2.6	−0.2	6.8	1.1
Acquisition/disposal of subsidiaries	–	0.2	11.6	−11.8
Exchange differences	−7.1	5.1	−0.2	0.1
Balance at 31 December	**56.0**	**−51.7**	**63.8**	**−57.2**

Tax loss carryforwards

CHF million	**2015**	**2014**
Tax loss carryforwards	99.5	125.9
Of which recognised in deferred income tax	−26.5	−34.1
Unrecognised tax loss carryforwards	**73.0**	**91.8**
Of which expiring:		
Within 1 year	–	15.3
From 1 to 5 years	47.1	32.1
More than 5 years	7.9	22.9
Available indefinitely for offset	18.0	21.5
Tax effect on unrecognised tax loss carryforwards	11.8	13.5

20 Retirement benefits

Most employees are covered by pension schemes in accordance with the relevant national regulations. The majority of these pension schemes are defined contribution plans. The Group also operates a number of defined benefit plans. The largest pension scheme is that in Switzerland, covering 80% of the retirement benefit obligations and 86% of the plan assets. The “international plans” category mainly comprises the plans in North America (7% of the retirement benefit obligations, 5% of the plan assets) and France (6% of the retirement benefit obligations, 6% of the plan assets).

Swiss plan With effect from 1 January 2015, all employees in Switzerland are covered by a single pension scheme, namely Angestellten-Pensionskasse Bucher Schweiz (Bucher Switzerland employee pension fund, APK). The APK has the legal form of a semi-autonomous foundation and is subject to the minimum legal requirements for pension schemes, which are governed by the Federal Law on Occupational Retirement, Survivors’ and Disability Pension Plans (BVG). The supreme governing body is the foundation board, which comprises equal numbers of employee and employer representatives. The foundation covers all underwriting risks except death and invalidity, which are separately reinsured. Contributions to the pension scheme are funded by employee and employer contributions, the latter yielding at least 50% of the necessary contribution. In the event of a deficit, additional contributions can be levied from both employer and employee to make up the shortfall. The risks covered are chiefly demographic (life expectancy) and financial (discount rate, future salary increases and rates of return on plan assets) in nature. These risks are regularly reassessed by the foundation board.

International plans – North America The pension scheme is governed by the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), which set minimum standards. The provisions were updated by the Pension Protection Act of 2006. This requires that the annual contributions ensure plan assets sufficient to meet the expected obligations. Plan members are insured against the economic consequences of old age, invalidity and death. Contributions are funded entirely by the employer. The plan was closed to new members as of 31 July 2004. Employee pension entitlements were frozen as of 31 July 2005. In addition, there is a defined benefit plan for healthcare provision during retirement for employees who are at least 55 years old and have been employed by the company for more than ten years when they reach the age of 65. Funding is provided principally by the employer. Employees pay part of the premium, based on their length of service with the company.

International plans – France The occupational pension scheme is based on various regulations and company agreements. The plan provides a basic entitlement to benefit payments at the onset of the insured event old age. The plans are funded internally by the employer. The Group also has schemes for employee anniversaries, which qualify as a further long-term benefit for employees.

Funding of defined benefit plans

CHF million	Swiss	International	Total	Swiss	International	Total
			2015			2014
Fair value of plan assets	300.4	48.9	349.3	318.1	50.4	368.5
Present value of funded obligations	–343.8	–63.6	–407.4	–348.2	–65.1	–413.3
Funding surplus/(deficit)	**–43.4**	**–14.7**	**–58.1**	**–30.1**	**–14.7**	**–44.8**
Present value of unfunded obligations	–	–22.7	–22.7	–	–24.4	–24.4
Surplus/(deficit)	**–43.4**	**–37.4**	**–80.8**	**–30.1**	**–39.1**	**–69.2**
Other financial assets	–	–	–	13.5	–	13.5
Retirement benefit obligations	–43.4	–37.4	–80.8	–43.6	–39.1	–82.7

Movements in defined benefit obligations and plan assets

CHF million	Fair value of plan assets	Present value of retirement obligation	Impact of minimum funding requirement/ asset ceiling	Total	Total
				2015	2014
Balance at 1 January	**368.5**	**–437.7**	**–**	**–69.2**	**–38.6**
Current service cost		–13.0		–13.0	–8.9
Past service cost		–		–	–2.8
Service cost related to plan amendments		2.8		2.8	–
Interest income/(expense)	4.9	–6.3	–	–1.4	–1.6
Administration expenses, taxes and premium paid	–0.4			–0.4	–0.5
Defined benefit expense recognised in profit or loss	**4.5**	**–16.5**	**–**	**–12.0**	**–13.8**
Return on plan assets (excluding interest based on discount rate)	–2.5			–2.5	16.4
Actuarial gains/(losses) arising from changes					
– in demographic assumptions		6.9		6.9	6.7
– in financial assumptions		–15.0		–15.0	–50.1
Experience gains/(losses)		–5.2		–5.2	–9.2
Change in asset ceiling excluding amounts included in interest expenses			–	–	4.8
Change in actuarial gains/(losses) on defined benefit pension plans in other comprehensive income	**–2.5**	**–13.3**	**–**	**–15.8**	**–31.4**
Employer contributions	12.3			12.3	14.2
Employee contributions	4.9	–4.9		–	–
Benefits paid	–16.8	17.8		1.0	1.0
Plan curtailments/settlements	–18.8	18.8		–	–
Acquisition/disposal of subsidiaries	–	–		–	–
Exchange differences	–2.8	5.7		2.9	–0.6
Balance at 31 December	**349.3**	**–430.1**	**–**	**–80.8**	**–69.2**

Categories of plan assets

CHF million	Swiss	International	Total	%	Swiss	International	Total	%
				2015				2014
Equities	106.0	16.6	122.6	35.1	81.6	17.0	98.6	26.7
Bonds	108.4	4.0	112.4	32.2	89.2	4.6	93.8	25.5
Assurances	–	22.3	22.3	6.4	66.3	23.7	90.0	24.4
Property	64.9	0.5	65.4	18.7	67.2	0.5	67.7	18.4
Cash	0.7	4.5	5.2	1.5	2.7	4.7	7.4	2.0
Other financial assets	20.4	1.0	21.4	6.1	11.1	–0.1	11.0	3.0
Plan assets	**300.4**	**48.9**	**349.3**	**100.0**	**318.1**	**50.4**	**368.5**	**100.0**

The shares and bonds are mainly listed investments.

Breakdown of defined benefit obligations by category

CHF million	Swiss	International	Total	Swiss	International	Total
			2015			2014
Obligation active insured members	247.9	44.9	292.8	241.0	48.7	289.7
Obligation former members with vested benefits	–	21.8	21.8	–	21.6	21.6
Obligation members receiving pensions	101.5	19.6	121.1	112.8	19.2	132.0
Obligation taxes and risk sharing	–5.6	–	–5.6	–5.6	–	–5.6
Defined benefit obligations	**343.8**	**86.3**	**430.1**	**348.2**	**89.5**	**437.7**
Term of obligations in years (duration)	16.3	13.7	15.8	16.5	15.4	16.0

Actuarial assumptions

Weighted averages in %	Swiss	International		Swiss	International	
			2015			2014
Discount rate	0.8	2.8	1.2	1.1	2.8	1.5
Future salary increases	1.0	1.9	1.1	1.0	2.1	1.1
Future pension increases	–	1.0	0.1	–	1.1	0.2
Inflation rate	1.0	2.3	1.3	1.0	2.3	1.3

For the 2016 business year, contributions for defined benefit pension plans are expected to total CHF 15.1 million (2014: CHF 14.1 million).

Sensitivity analysis A change in the parameters, under the same conditions, would otherwise result in the following increases/(decreases) in pension liabilities.

CHF million		Swiss	International	Total	Swiss	International	Total
				2015			2014
Discount rate:	+25 basis points	−13.3	−2.6	−15.9	−12.6	−3.7	−16.3
Discount rate:	−25 basis points	14.2	2.9	17.1	13.5	4.1	−17.6
Future salary increases:	+100 basis points	1.3	0.1	1.4	1.3	0.1	1.4
Future salary increases:	−100 basis points	−1.3	–	−1.3	−1.2	−0.1	−1.3
Life expectancy:	+1 year	3.3	0.7	4.0	11.1	1.0	12.1

21 Share-based payment plans/share option plans

Bucher Share Plan In the reporting period, the Bucher share plans were harmonised and consolidated in a new Bucher Share Plan. The merger saw the end of co-investment in the company's shares. Further changes concern the calculation and valuation of the number of shares. The changes had no significant effect on the present consolidated financial statements. Eligible employees were awarded a total of 8 508 shares for the reporting year (2014: 7 009 shares). The shares awarded and valuation are calculated using the share price CHF 226.30. The valuation totalled CHF 1.9 million (CHF 1.6 million).

Share option plans No share options have been granted since the 2010 financial year. Share options granted in respect of previous reporting years remain valid as originally provided. One option entitles the holder to purchase one registered share of Bucher Industries AG. The options are not negotiable. The average share price for options exercised was CHF 232.90 (2014: CHF 268.95).

Movements in the number of share options outstanding

	Number of options	Average exercise price in CHF	Number of options	Average exercise price in CHF
		2015		2014
Outstanding options at 1 January	89 580	146.8	142 805	155.7
Exercised	−17 696	119.7	−53 225	170.8
Expired	–	–	–	–
Outstanding options at 31 December	**71 884**	**153.5**	**89 580**	**146.8**
Option expiry date:				
Year 2015	–	–	7 030	108.0
Year 2016	9 900	116.0	15 300	116.0
Year 2017	19 800	221.0	19 800	221.0
Year 2018	19 300	149.0	23 050	149.0
Year 2019	22 884	115.0	24 400	115.0

22 Related party transactions

Remuneration of directors and members of group management

CHF million	2015	2014
Salaries	5.5	5.7
Post-employment benefits	1.3	1.3
Share awards	1.4	1.5
Key management remuneration	**8.2**	**8.5**

Salaries include variable remuneration, fees and expense allowances paid in cash. For the reporting year, group management members were awarded 4 506 registered shares with a par value of CHF 0.20 each in Bucher Industries AG (2014: 4 710 registered shares) under the share plans. Following the departure of the member of group management, fixed remuneration is still due during the usual period of notice of twelve months. The outstanding payments were fully recognised in salaries. There are no other claims. No directors, group management members or persons connected with them received any additional remuneration, fees or loans during the year. At the year end, there were no loans outstanding to the company's governing bodies. Directors' fees were paid in the form of cash and shares.

Year-end balances with related parties and transactions

CHF million	2015	2014
Receivables from pension funds	1.1	14.9
Receivables from associates	0.1	–
Payables to pension funds	−10.1	−2.4
Payables to associates	−1.2	−1.6

In the reporting year, products worth CHF 32.5 million (2014: CHF 42.6 million) were purchased from associates. The sales generated with associates amounted to CHF 1.0 million (CHF 2.1 million). Cost of materials with associated companies amounted to CHF 0.5 million (CHF 1.4 million).

23 Pledged assets

The book value of assets pledged or assigned to secure the Group's obligations was CHF 4.6 million (2014: CHF 5.3 million).

24 Leases

Receivables from finance leases, lessor

CHF million	2015	2014
Future minimum lease payments	6.7	8.5
Unguaranteed residual value	–	–
Gross investments in finance lease	**6.7**	**8.5**
Unrealised finance income	– 0.1	– 0.4
Net investments in finance lease	**6.6**	**8.1**
Present value of the unguaranteed residual value	–	–
Finance lease receivables	**6.6**	**8.1**

Receivables from finance leases relate to one-off lease contracts for inspection machinery between Bucher Emhart Glass and a major customer.

Maturity analysis of receivables from finance leases, lessor

CHF million	Gross investments in finance lease	Finance lease receivables	Gross investments in finance lease	Finance lease receivables
		2015		**2014**
Within 1 year	6.0	5.8	4.3	4.0
From 1 to 5 years	0.7	0.8	4.2	4.1
More than 5 years	–	–	–	–
Balance at 31 December	**6.7**	**6.6**	**8.5**	**8.1**

Liabilities on finance leases, lessee

CHF million	Minimum lease payments	Finance lease liabilities	Minimum lease payments	Finance lease liabilities
		2015		**2014**
Within 1 year	3.9	3.5	4.4	3.8
From 1 to 5 years	11.0	10.3	15.2	13.8
More than 5 years	3.7	3.4	5.7	5.3
Balance at 31 December	**18.6**	**17.2**	**25.3**	**22.9**
Finance charge	– 1.4	–	– 2.4	–
Finance lease liabilities	**17.2**	**17.2**	**22.9**	**22.9**

Liabilities on operating leases, lessee

CHF million	2015	2014
Within 1 year	6.6	7.8
From 1 to 5 years	9.1	13.8
More than 5 years	10.9	11.8
Minimum lease payments	**26.6**	**33.4**

The Group has entered into operating leases for the use of buildings, items of machinery and vehicles.

25 Financial risk management

The Group's international operations expose it to a variety of financial risks, such as credit, liquidity and price or market risks. Group financial risk management is based on internally formulated guidelines and responsibilities. Group financial risk management is based on internally formulated guidelines and responsibilities. These include criteria for general financial risk management in specific areas such as management of interest, exchange rate and counterparty risks, as well as the use of derivative financial instruments. With the exception of the management of credit risks, financial risk management is the responsibility of the central treasury function. Group treasury identifies and assesses financial risks and hedges these in close collaboration with the Group's operational units. The risk management process as implemented includes regular reporting on the development of financial risks.

Credit risk Credit risk arises from the possibility of partial or total default on contractual payments and/or performance obligations. It also includes exposure to losses in the value of financial items due to deterioration in credit quality or counterparty risks under financial contracts. Each of the individual businesses is responsible for operational credit risk as part of their receivables management. They determine the credit terms and monitor payment from customers, taking into account their past payment history (for existing customers) and an analysis of their credit quality (for new and existing customers). In the reporting year, the credit risk on trade receivables was limited due to the Group's diversified customer base. Its customers operate in different industries spread across diverse geographical areas worldwide as shown in the segment reporting in note 1. As a result, the Group had no cluster risk. In addition, credit risk was minimised by security in the form of credit insurance, advance payment schemes, letters of credit and bank guarantees. Further details of receivables, the calculation of the provision for impairment and movements in the provision are set out in note 4.

Bucher Industries invested its free cash and cash equivalents in the form of short-term money-market investments with banking institutions that have a very good international risk rating. The Group had no concentration of credit risk associated with receivables from banks. Its banking relationships included relationships with local banks so they were widely spread geographically. In addition, it also made short-term financial investments in marketable securities with high credit ratings. The maximum credit risk is stated in the consolidated balance sheet through the carrying amounts of financial assets.

Liquidity risk Bucher Industries defines liquidity risk as the risk that the Group and/or any of its subsidiaries may not have sufficient financial resources available to meet all of the payment obligations at any time. In order to anticipate and manage liquidity requirements, Group treasury conducts short- to medium-term liquidity planning in coordination with the businesses' finance departments to forecast future cash flows and financial commitments in each currency. The calculated liquidity requirements are always evaluated together with existing credit facilities so that appropriate measures can be taken in good time to ensure the ability to meet current and future financial obligation. The necessary funds are raised as and when required in the money and capital markets.

Maturity analysis shows the contractual cash flows, including interest and redemption payments. The contractual payments are measured from the earliest possible date on which Bucher Industries could be required to pay. Future variable interest payments are calculated at the rates valid on 31 December.

Liquidity analysis

CHF million	Within 1 year	From 1 to 5 years	More than 5 years	Total	Carrying amount
					2015
Trade payables	− 220.7	–	–	**− 220.7**	− 220.7
Other liabilities	− 15.4	− 3.5	− 5.1	**− 24.0**	− 24.0
Financial liabilities	− 32.3	− 254.6	− 125.4	**− 412.3**	− 385.2
Non-derivative financial instruments	**− 268.4**	**− 258.1**	**− 130.5**	**− 657.0**	**− 629.9**
Forward currency contract (asset)	410.2	36.9	–	**447.1**	
Forward currency contract (liability)	− 409.6	− 37.1	–	**− 446.7**	
Derivative financial instruments	**0.6**	**− 0.2**	**–**	**0.4**	**0.4**
					2014
Trade payables	− 263.6	–	–	**− 263.6**	− 263.6
Other liabilities	− 19.9	− 5.6	− 5.6	**− 31.1**	− 31.1
Financial liabilities	− 116.9	− 163.2	− 214.5	**− 494.6**	− 454.2
Non-derivative financial instruments	**− 400.4**	**− 168.8**	**− 220.1**	**− 789.3**	**− 748.9**
Forward currency contract (asset)	615.8	64.4	–	**680.2**	
Forward currency contract (liability)	− 621.2	− 64.8	–	**− 686.0**	
Derivative financial instruments	**− 5.4**	**− 0.4**	**–**	**− 5.8**	**− 5.8**

Market risk Market risk comprises three types of risk: price risk, interest rate risk and foreign currency risk. Market risk may reduce the fair value of assets and liabilities and/or profit and loss items because of changes in risk factors, such as foreign exchange rates and interest rates. Interest rate and exchange rate risk exposures are regularly quantified using a value-at-risk – as well as a net-asset-value-at-risk – approach. These are analysed by means of risk simulations and then reported to group management.

Foreign currency risk Foreign currency risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency other than the local entity's functional currency. As the Group operates internationally, Bucher Industries is mainly exposed to the risk of changes in the exchange rates of the euro, US dollar, British pound and Swedish krona in its most important sales and procurement markets. Individual subsidiaries' cash inflows and outflows denominated in foreign currencies are hedged by Group treasury using appropriate financial instruments based on the respective underlying transactions. Hedging transactions are entered into only with financial institutions that have solid credit ratings. As part of hedge accounting foreign exchange losses of CHF 8.2 million (2014: CHF 4.0 million) were reclassified from other comprehensive income to the income statement. The Group has investments in foreign operations, whose assets and liabilities are exposed to foreign currency translation risk arising on translation into the Group's presentation currency (Swiss francs). The following exchange rates were used to translate the principal currencies in the Group into Swiss francs:

1 CHF	Income statement average rates		Balance sheet closing rates	
	2015	**2014**	**2015**	**2014**
1 EUR	1.0752	1.2139	1.0835	1.2024
1 GBP	1.4761	1.5077	1.4763	1.5438
1 USD	0.9663	0.9174	0.9952	0.9904
1 BRL	0.2947	0.3894	0.2513	0.3733
1 AUD	0.7254	0.8221	0.7273	0.8109
1 CNY	0.1538	0.1489	0.1535	0.1596
1 SEK	0.1151	0.1334	0.1179	0.1281
1 RUB	0.0157	0.0240	0.0134	0.0166

Interest and price risk Interest risks result from changes in market interest rates which have an impact on the profit or loss for the year and the market values of the financial instruments. The risk of a change in interest rates is constantly monitored and managed. Where necessary, interest rate forwards are deployed to hedge specific interest risks. As part of hedge accounting, interest expense of CHF 0.6 million (2014: CHF 0.1 million) was reclassified from other comprehensive income to the income statement.

Sensitivity analysis Value at risk (VaR) and net asset value at risk (NAVaR) are measures used to quantify the impact of likely future changes in the value of financial items on profit (loss) for the year (transaction risk) and consolidated equity (translation risk). VaR and NAVaR show the maximum loss in value of a portfolio that could arise with a given probability (confidence level) over a specific holding period. The portfolio comprises the defined risk positions on financial items. The potential loss reported is assessed and analysed in the context of the Group's defined risk capacity. Based on this analysis, financial items are either restructured or hedged using financial derivatives where necessary.

The following VaR and NAVaR figures are based on a confidence level of 90% and a holding period of 30 days (VaR) and one year respectively (NAVaR).

CHF million	2015	2014
Currency risk	−23.8	−8.7
Interest risk	−4.8	−1.8
Correlation effect	14.4	7.6
VaR–transaction risk	**−14.2**	**−2.9**
NAVaR–translation risk	**−104.5**	**−109.2**

The increase in the translation risk is mainly due to the marked increase in foreign-currency and interest-rate volatility. The correlation effect in relation to risks is only 50% (2014: 72%). The decline is attributable to the aligned correlations of foreign currencies against the Swiss franc. The decrease in the translation risk is primarily due to the reduction of positions in euros.

Carrying amounts/financial assets and liabilities by category

CHF million	Available-for-sale	At fair value through profit or loss	At amortised cost	Held for hedge accounting	Carrying amount 2015	Carrying amount 2014 [1]
Cash and cash equivalents	–	346.2	–		346.2	337.8
Short-term investments	25.8	2.8	–		28.6	31.4
Trade receivables	–	–	430.2		430.2	482.7
Other receivables	–	–	33.7		33.7	42.1
Other financial assets	0.2	–	11.6		11.8	16.5
Trade payables		–	−220.7		−220.7	−263.6
Other liabilities		–	−24.0		−24.0	−31.1
Financial liabilities		–	−385.2		−385.2	−454.2
Non-derivative financial instruments	**26.0**	**349.0**	**−154.4**		**220.6**	**161.6**
Forward currency contract – asset		4.2		0.6	4.8	1.9
Forward currency contract – liability		−4.1		−0.3	−4.4	−7.7
Derivative financial instruments		**0.1**		**0.3**	**0.4**	**−5.8**

[1] The values for the previous year were allocated to the various categories in the same order of magnitude as in the present reporting period. Short-term investments to the value of CHF 28.0 million were available for sale and CHF −1.7 million in forward currency contracts was held for hedge accounting.

Fair values With the exception of the financial liabilities with a fair value of CHF 396.9 million (2014: CHF 466.6 million), the book values are roughly equivalent to the fair values. With the exception of contingent considerations from acquisitions, the fair values are based on observable market data at the end of the reporting period (level 2). There is no observable market data available regarding the contingent considerations classified as other liabilities. The valuation is based primarily on specific data from the Kuhn-Montana, Brazil, and Bucher Hidráulica, Brazil, acquisitions (level 3) and is made using contractually agreed formulas.

Contingent considerations (level 3) To determine the fair values, future payments are discounted at the balance sheet date, using projections based on financial budgets approved by management. Dependent on the achievement of targets, payments are budgeted for Bucher Hidráulica until 2016 and Kuhn-Montana until 2017. For Bucher Hidráulica as for Kuhn-Montana, the payments have an upper limit, and the maximum amount that can be paid out is CHF 0.8 million and CHF 3.4 million respectively. Revaluation of the payment obligations led to a decrease of CHF 3.4 million, which was recognised under other operating income.

CHF million	2015	2014
Balance at 1 January	3.5	6.5
Acquisition/disposal of subsidiaries	–	2.3
Revaluation	−3.4	−0.2
Paid during year	−0.1	−5.0
Exchange differences	–	−0.1
Balance at 31 December	**–**	**3.5**

26 Capital management

The Group’s objectives when managing its capital structure are to:

- ensure that the Group will have sufficient liquidity to meet its financial obligations at all times, while maintaining a healthy and solid balance sheet structure
- secure adequate credit facilities and maintain its high credit rating
- ensure the necessary financial flexibility to fund organic growth, as well as future capital expenditure and acquisitions
- provide an adequate return to capital providers commensurate with the level of risk

The Group may manage its capital structure either by adjusting the amount of dividends or by initiating share buy-back programmes, issuing new shares and raising or repaying debt. With the continuous monitoring of the indicators listed below, Bucher Industries ensures that the appropriate and necessary equity measures are taken in a timely manner if required.

	2015	**2014**
Interest coverage ratio (EBITDA to net interest expense)	24.1	23.0
Debt payback period (net debt to EBITDA)	–	0.2
Gearing ratio (net debt to equity)	0.9%	7.1%
Equity ratio (equity to total assets)	49.0%	46.1%
Quick ratio (current assets less inventory to current liabilities)	129.0%	107.0%

27 Events after the reporting date

On 26 February 2016, the board of directors approved the consolidated financial statements for publication, subject to formal approval by the annual general meeting on 15 April 2016.

28 Group companies

Company, place of incorporation	Country	Currency	Share capital	Division	Activities			Group interest in %	
								2015	2014
Bucher Industries Ltd, Niederweningen	CH	CHF	2 050 000	O			S		
Bucher-Guyer Ltd, Niederweningen	CH	CHF	10 000 000	O			S	100	100
Bucher Industries France SAS, Entzheim	FR	EUR	225 072 400	O			S	100	100
Bucher Beteiligungen GmbH, Klettgau	DE	EUR	4 500 000	O			S	100	100
Bucher Beteiligungsverwaltung AG, Munich	DE	EUR	50 000	O			S	100	100
Bucher Beteiligungs-Stiftung, Niederweningen	CH	CHF	250 000	O			S	100	100
Bucher BG Finanz Ltd, Steinhausen	CH	EUR	21 591 000	O			S	100	100
Kuhn Germany GmbH, Freiburg	DE	EUR	4 000 000	O			S	100	100
Bucher Immobilien AG, Langendorf	CH	CHF	200 000	O			S	100	100
Bucher Industries Italia S.p.A., Reggio Emilia	IT	EUR	3 380 000	O			S	100	100
Bucher Industries US Inc., Enfield CT	US	USD	10 000 000	O			S	100	100
Bucher Management Ltd., Kloten	CH	CHF	6 600 000	O			S	100	100
Bucher Sudamerica Participações Ltda., São Paulo	BR	BRL	1 000	O			S	100	100
Kuhn Group SAS, Saverne	FR	EUR	200 100 000	O			S	100	100
Kuhn SA, Saverne	FR	EUR	19 488 000	KG	P	D		100	100
Kuhn Blanchard SAS, Chéméré	FR	EUR	2 000 000	KG	P	D		100	100
Kuhn-Geldrop B.V., Geldrop	NL	EUR	15 000 000	KG	P	D		100	100
Contifonte SA, Saverne	FR	EUR	48 000	KG	P	D		98	98
Kuhn North America, Inc., Brodhead WI	US	USD	10 000	KG	P	D		100	100
Kuhn Krause, Inc., Hutchinson KS	US	USD	4 462 000	KG	P	D		100	100
Kuhn do Brasil S/A, Passo Fundo	BR	BRL	220 077 811	KG	P	D		100	100
Kuhn-Montana Indústria de Máquinas S/A, São José	BR	BRL	230 000 000	KG	P	D		100	100
Kuhn-Montana Argentina S/A, Casilda	AR	ARS	350 000	KG		D		100	100
Kuhn MGM SAS, Monswiller	FR	EUR	2 000 000	KG	P	D		99	99
Kuhn-Audureau SA, La Copechagnière	FR	EUR	4 070 000	KG	P	D		100	100
Kuhn-Huard SA, Châteaubriant	FR	EUR	4 800 000	KG	P	D		100	100
Kuhn Farm Machinery Inc., Sainte Madeleine	CA	CAD	150 000	KG		D		100	100
Kuhn Farm Machinery Ltd., Telford	GB	GBP	100 000	KG		D		100	100
Kuhn Farm Machinery Pty Ltd., Warragul VIC	AU	AUD	100 000	KG		D		100	100
Kuhn Ukraine Sarl, Kiev	UA	UAH	650 000	KG		D		100	100
Kuhn Ibérica SA, Huesca	ES	EUR	100 000	KG		D		100	100
Kuhn Italia Srl., Melegnano	IT	EUR	520 000	KG		D		100	100
Kuhn Maschinen-Vertrieb GmbH, Schopsdorf	DE	EUR	300 000	KG		D		100	100
Kuhn Maszyny Rolnicze Sp.z.o.o., Suchy Las	PL	PLN	3 536 000	KG		D		100	100
Kuhn Vostok LLC, Moscow	RU	RUB	10 000 000	KG		D		100	100
Kuhn Parts SAS, Monswiller	FR	EUR	5 000 000	KG		D		100	100
Kuhn Argentina, Buenos Aires	AR	ARS	500 000	KG		D		100	100
Kuhn Tianjin Farm Machinery Ltd., Tianjin	CN	CNY	5 045 000	KG		D		100	100

Divisions: KG Kuhn Group, BM Bucher Municipal, BH Bucher Hydraulics, BEG Bucher Emhart Glass, BSp Bucher Specials, O Other
Activities: P Production, D Distribution, S Services

Company, place of incorporation	Country	Currency	Share capital	Division	Activities			Group interest in % 2015	2014
Bucher Municipal Ltd, Niederweningen	CH	CHF	10 000 000	BM	P	D	S	100	100
Bucher Municipal GmbH, Hanover	DE	EUR	3 000 000	BM		D		100	100
Bucher Municipal Ltd., Seoul	KR	KRW	350 000 000	BM	P	D		100	100
Bucher Municipal SIA, Ventspils	LV	EUR	3 630 400	BM	P	D		100	100
Giletta S.p.A., Revello	IT	EUR	1 250 000	BM	P	D		60	60
Arvel Industries Sàrl, Coudes	FR	EUR	200 000	BM	P	D		60	60
Tecvia Eurl, Lyon	FR	EUR	38 112	BM		D		60	60
Maquiasfalt SL, Madrid	ES	EUR	30 000	BM		D		60	60
Giletta LLC, Kaluga	RU	RUB	420 000	BM	P	D		60	60
Gmeiner GmbH, Wernberg-Köblitz	DE	EUR	26 000	BM	P	D		60	60
Johnston Sweepers Ltd., Dorking	GB	GBP	8 000	BM	P	D		100	100
Beam A/S, Them	DK	DKK	5 000 000	BM	P	D		100	100
Johnston North America Inc., Mooresville NC	US	USD	500 000	BM	P	D		100	100
Bucher Municipal Pty Ltd., Clayton North	AU	AUD	5 901 000	BM	P	D		100	100
Bucher Hydraulics GmbH, Klettgau	DE	EUR	4 000 000	BH	P	D		100	100
Bucher Hydraulics Dachau GmbH, Dachau	DE	EUR	30 000	BH	P	D		100	100
Bucher Hydraulics SAS, Rixheim	FR	EUR	200 000	BH		D		100	100
Bucher Hydraulics Ltd., Nuneaton	GB	GBP	10 000	BH		D		100	100
Bucher Hydraulics AG, Neuheim	CH	CHF	1 200 000	BH	P	D		100	100
Suzhou Bucher Hydraulics Co., Ltd., Wujiang	CN	CNY	13 640 000	BH	P	D		100	100
Bucher Hydraulics Remscheid GmbH, Remscheid	DE	EUR	25 000	BH	P	D		100	100
Bucher Hidrolik Sistemleri Tic. Ltd. Sti., Istanbul	TR	TRY	219 000	BH		D		100	100
Bucher Hydraulics KK, Tokyo	JP	JPY	10 000 000	BH		D		85	85
Bucher Hydraulics AG Frutigen, Frutigen	CH	CHF	300 000	BH	P	D		100	100
Bucher Hydraulics S.p.A., Reggio Emilia	IT	EUR	1 500 000	BH	P	D		100	100
Bucher Hydraulics Ltd., New Delhi	IN	INR	28 600 000	BH	P	D		100	100
Bucher Hydraulics Inc., Grand Rapids	US	USD	12 473 000	BH	P	D		100	100
Bucher Hydraulics Corp., London	CA	CAD	75 000	BH	P	D		100	100
Bucher Hydraulics Erding GmbH, Erding	DE	EUR	25 000	BH	P	D		100	100
Bucher Hidráulica Ltda., Porto Alegre	BR	BRL	6 830 000	BH	P	D		100	100

Company, place of incorporation	Country	Currency	Share capital	Division	Activities			Group interest in % 2015	2014
Emhart Glass SA, Cham	CH	CHF	10 000 000	BEG		D	S	100	100
Emhart Glass Manufacturing Inc., Elmira NY	US	USD	1 000	BEG	P			100	100
Emhart Glass Sdn Bhd., Ulu Tiram Johor	MY	MYR	500 000	BEG	P			100	100
Emhart Glass Sweden AB, Sundsvall	SE	SEK	30 000 000	BEG	P			100	100
Emhart Glass GmbH, Neuss	DE	EUR	50 000	BEG			S	100	100
Emhart Glass Inc., Windsor CT	US	USD	2	BEG			S	100	100
Emhart Glass International SA, Steinhausen	CH	CHF	100 000	BEG			S	100	100
Emhart Glass Japan Co Ltd., Kawasaki	JP	JPY	10 000 000	BEG			S	100	100
Emhart Glass Ltd., Manchester	GB	GBP	1 838 000	BEG			S	100	100
Emhart Glass Pte. Ltd., Singapore	SG	SGD	1	BEG			S	100	100
Emhart Glass S.r.l., Savona	IT	EUR	320 000	BEG			S	100	100
Shandong Sanjin Glass Machinery Co. Ltd., Zibo	CN	CNY	72 000 000	BEG	P	D		63	63
Bucher Vaslin SA, Chalonnes-sur-Loire	FR	EUR	2 400 000	BSp	P	D		100	100
Bucher Vaslin S.r.l., Romans d'Isonzo	IT	EUR	100 000	BSp		D		100	100
Bucher Vaslin North America, Inc., Sebastopol CA	US	USD	88 000	BSp		D		100	100
Bucher Vaslin Sudamérica, Santiago de Chile	CL	CLP	92 400 000	BSp	P	D		100	100
Bucher Unipektin Ltd., Niederweningen	CH	CHF	600 000	BSp	P	D		100	100
Beijing Bucher Unipektin Equipment Co. Ltd, Beijing	CN	CNY	3 098 895	BSp		D		100	100
Bucher-Alimentech Ltd., Auckland	NZ	NZD	3 000	BSp		D		100	100
Bucher Engineering Ges.m.b.H., Vösendorf	AT	EUR	36 336	BSp		D		100	100
Bucher Filtrox Systems AG, St.Gallen	CH	CHF	500 000	BSp	P	D		100	100
Bucher Landtechnik AG, Niederweningen	CH	CHF	4 000 000	BSp		D		100	100
Jetter AG, Ludwigsburg	DE	EUR	3 241 061	BSp	P	D		100	96
futronic GmbH, Tettnang	DE	EUR	260 000	BSp	P	D		100	96

Divisions: KG Kuhn Group, BM Bucher Municipal, BH Bucher Hydraulics, BEG Bucher Emhart Glass, BSp Bucher Specials, O Other
Activities: P Production, D Distribution, S Services

Report of the statutory auditor

To the general meeting of Bucher Industries AG, Niederweningen

As statutory auditor, we have audited the consolidated financial statements of Bucher Industries AG, which comprise the balance sheet, income statement, statement of comprehensive income, cash flow statement, statement of changes in equity and notes (pages 68 to 112), for the year ended 31 December 2015.

Board of directors' responsibility The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion In our opinion, the consolidated financial statements for the year ended 31 December 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

Report on other legal requirements We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Christian Kessler Audit expert Auditor in charge	Ralf Zwick Audit expert

Zurich, 26 February 2016

Balance sheet of Bucher Industries AG at 31 December 2015

CHF 1 000	Note	2015	2014
Cash and cash equivalents		70 520	39 568
Other receivables		124 104	95 004
Accrued income		11 857	13 106
Current assets		**206 481**	**147 678**
Financial assets			
Loans		504 828	543 801
Investments		765 679	739 408
Intangible assets		82	247
Non-current assets		**1 270 589**	**1 283 456**
Assets		**1 477 070**	**1 431 134**
Interest-bearing liabilities			
Bonds and private placements	2	–	19 983
Loans and other bank borrowings	2	–	40 000
Other interest-bearing liabilities	2	92 681	152 569
Other liabilities		10 090	11 552
Accruals and deferred income		7 701	5 451
Current liabilities		**110 472**	**229 555**
Interest-bearing liabilities			
Bonds and private placements	2	200 000	200 000
Loans and other bank borrowings	2	339 009	259 888
Provisions		59	3 277
Non-current liabilities		**539 068**	**463 165**
Share capital	5	2 050	2 050
Statutory reserve		70 610	70 610
Distributable reserve		526 834	476 834
Retained earnings		72 295	37 408
Profit/(loss) for the year		155 741	151 512
Equity		**827 530**	**738 414**
Liabilities and equity		**1 477 070**	**1 431 134**

Income statement of Bucher Industries AG for the year ended 31 December 2015

CHF 1 000

	2015	2014
Income from investments	166 055	118 500
Royalty income	13 281	14 552
Other income	34	2 000
Administrative expenses	– 5 870	– 5 453
Impairment charges	4 015	– 8 000
Operating profit (EBIT)	**177 515**	**121 599**
Finance costs	– 161 907	– 77 287
Finance income	140 740	110 197
Profit before tax	**156 348**	**154 509**
Income tax expense	– 607	– 2 997
Profit/(loss) for the year	**155 741**	**151 512**

Notes to the financial statements of Bucher Industries AG

General These financial statements of Bucher Industries AG, incorporated in Niederweningen, have been prepared in accordance with the provisions of Swiss accounting law (title 32 of the Swiss Code of Obligation. To ensure comparability, the figures for the consolidated financial statements from the previous year have been restated in line with the new classification requirements. The restatement did not require any revaluations. The main valuation principles applied, other than those prescribed by law, are described in the following. In accordance with art. 961d, para. 1 of the Swiss Code of Obligations, Bucher Industries AG did not present additional data in the notes or cash flow statement, referring instead to the consolidated financial statements of Bucher Industries AG for the relevant information. The company does not have any employees.

Cash pooling To ensure group-wide financial balance, Group companies are integrated into Bucher Industries AG's cash pooling. The cash-pool accounts are recognised at par value and recorded in other receivables and other interest-bearing liabilities.

Derivative financial instruments are shown in other receivables and other payables, and are used to hedge exposure to interest rate and foreign currency fluctuations. They are initially recognised in the balance sheet and subsequently remeasured at fair value based on quoted market prices at the reporting date. Changes in fair value are recognised in the income statement.

Investments are recognised at amortised cost, net of write-downs in impairment charges. To evaluate an impairment the carrying amount is compared with the recoverable amount. Investments which are considered an economic unit within the company, in the management and assessment of the business, were consolidated as a valuation unit. Information on the investments held, directly and indirectly, by Bucher Industries AG is given in the list of group companies on pages 110 to 112 of the annual report.

Interest income/dividend Interest income is recorded over the anticipated term, so that it reflects the effective income on an asset. Dividends are recognised in investment income at the time of the legal claim.

Royalty income consists of fees charged to group companies for the use of brand names.

1 Positions with group companies

CHF 1 000

	2015	2014
Other receivables	118 133	88 892
Accrued income	11 764	13 078
Financial assets	504 828	543 801
Interest-bearing liabilities	− 92 681	− 152 569
Other liabilities	− 3 988	− 2 843
Accruals and deferred income	− 3 512	− 2 313
Loans and other bank borrowings	− 234 519	− 185 500

2 Interest-bearing liabilities

Interest-bearing liabilities include significant bonds, loans, bank borrowings and cash pool accounts with group companies. Further information on bonds is given on page 91 of the annual report.

3 Assets and liabilities based on observable market data

CHF 1 000

	2015	2014
Derivative financial instruments – assets	11 906	12 312
Derivative financial instruments – liabilities	– 10 073	– 11 499
Assets and liabilities based on observable market data	**1 833**	**813**

4 Contingent liabilities

The company has mainly incurred contingent liabilities to cover group companies' obligations to banks in respect of credit and cash pool agreements. The maximum exposure was CHF 254.8 million (2014: CHF 235.9 million). The amount claimed at the reporting date was CHF 59.6 million (CHF 92.6 million).

5 Share capital

Bucher Industries AG has authorised but unissued capital representing a maximum of 1 184 100 registered shares of CHF 0.20 each, which is reserved for the exercise of warrants or conversion rights attached to bonds and of options under rights issued to shareholders. The registered shares are widely held by public shareholders.

Significant shareholders and their investments A group of shareholders organised under a shareholders' agreement, represented by Rudolf Hauser, Zurich, holds a total of 35.2% of the voting rights, as published in the Swiss Official Gazette of Commerce (SOGC) on 10 May 2005 and subsequent to the share capital reduction in June 2012. The essence of the shareholders' agreement and the number of shares held by individual group members have not been published. At the reporting date, Bucher Beteiligungs-Stiftung held 1.4% of the issued share capital, the voting rights attached to such shares being suspended in accordance with article 659a paragraph 1 of the Swiss Code of Obligations. According to disclosure notifications submitted to Bucher Industries AG and SIX Swiss Exchange, Harris Associates Investment·Trust, Chicago, USA, and Black Rock Inc., New York, USA, hold, directly or indirectly via various subsidiaries, a stake in the registered share capital of Bucher Industries AG of more than 3% each. Up to the date of approval of the company's financial statements, the board of Bucher Industries AG was not aware of any other shareholders, or groups of shareholders subject to voting agreements, who held more than 3% of the total voting rights.

Directors' interests in shares

	Number of shares	
	2015	**2014**
Rolf Broglie, chairman	14 055	13 776
Anita Hauser, deputy chairman	439 511	439 315
Ernst Bärtschi	628	719
Claude R. Cornaz	5 866	5 698
Michael Hauser	604 636	604 468
Heinrich Spoerry	3 254	3 086
Valentin Vogt	3 129	1 050
Board of directors	**1 071 079**	**1 068 112**

As part of their honoraria, the board of directors were allocated 1 564 shares (2014: 1 276 shares) worth CHF 0.4 million (CHF 0.3 million). The directors did not hold any share options on 31 December 2015. Further information is given in the remuneration report on pages 59 to 61.

Group management's interests in shares and share options

		Number of shares		Number of options	
		2015	**2014**	**2015**	**2014**
Philip Mosimann	CEO	63 916	61 508	–	–
Jacques Sanche	designated CEO	–	–	–	–
Roger Baillod	CFO	9 485	8 938	4 200	4 200
Stefan Düring	Bucher Specials	1 399	1 048	1 200	1 200
Martin Jetter	Bucher Emhart Glass	4 403	2 050	1 200	1 200
Thierry Krier	Kuhn Group	1 255	749	–	–
Daniel Waller	Bucher Hydraulics	11 380	9 066	7 200	10 030
Group management		**91 838**	**83 359**	**13 800**	**16 630**

		Number of options			
Grant year		**2009**	**2008**	**2007**	**Total**
Exercise price (CHF)		115.00	149.00	221.00	
Roger Baillod	CFO	2 400	1 800	–	**4 200**
Stefan Düring	Bucher Specials	1 200	–	–	**1 200**
Martin Jetter	Bucher Emhart Glass	–	–	1 200	**1 200**
Daniel Waller	Bucher Hydraulics	2 400	2 400	2 400	**7 200**
Group management		**6 000**	**4 200**	**3 600**	**13 800**

No share options have been granted since the 2010 financial year. Share options with a term of ten years granted in respect of previous reporting years remain valid as originally provided and can be exercised at any time. Each option entitles the holder to purchase one share.

Board of directors' proposal

Appropriation of retained earnings

	2015	2014
Retained profit carried forward as at January 1	188 919 613	104 032 699
Transfer to distributable reserve	– 50 000 000	–
Dividend	– 66 625 000	– 66 625 000
Profit/(loss) for the year	155 740 856	151 511 914
Retained earnings available for distribution	**228 035 469**	**188 919 613**

Board of directors' proposal

	2015	2014
Retained earnings available for distribution	228 035 469	188 919 613
Transfer to distributable reserve	– 85 000 000	– 50 000 000
Dividend	– 56 375 000	– 66 625 000
Balance to be carried forward	**86 660 469**	**72 294 613**

Report of the statutory auditor

To the general meeting of Bucher Industries AG, Niederweningen

As statutory auditor, we have audited the consolidated financial statements of Bucher Industries AG, which comprise the balance sheet, income statement, statement of comprehensive income, cash flow statement, statement of changes in equity and notes (pages 114 to 119), for the year ended 31 December 2015.

Board of directors' responsibility The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion In our opinion, the consolidated financial statements for the year ended 31 December 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

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In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Christian Kessler
Audit expert
Auditor in charge

Ralf Zwick
Audit expert

Zurich, 26 February 2016

Five-year summary

Group

CHF million

		2015	2014	2013	2012	2011
Order intake		2 439.5	2 742.1	2 718.2	2 490.4	2 587.5
Net sales		2 490.4	2 805.6	2 690.8	2 609.0	2 336.0
Order book		688.4	788.9	850.4	795.3	923.0
Operating profit before depreciation and amortisation (EBITDA)		296.2	349.8	371.1	306.9	259.9
as % of net sales		11.9%	12.5%	13.8%	11.8%	11.1%
Operating profit (EBIT)		207.1	257.2	287.1	231.7	190.2
as % of net sales		8.3%	9.2%	10.7%	8.9%	8.1%
Net financial items		– 13.3	– 13.2	– 11.4	– 12.6	– 18.4
Income tax expense		– 53.8	– 54.3	– 79.5	– 63.1	– 44.4
as % of profit before tax		27.8%	22.3%	28.8%	28.8%	25.8%
Profit/(loss) for the year		140.0	189.7	196.2	156.0	127.4
as % of net sales		5.6%	6.8%	7.3%	6.0%	5.5%
Capital expenditure		81.9	116.3	136.6	96.5	118.3
Operating free cash flow		157.8	53.7	91.7	105.4	54.8
Research and development costs		96.1	102.4	90.5	80.8	74.4
Total assets		2 353.6	2 604.5	2 436.3	2 259.4	2 247.7
Cash and cash equivalents and short-term investments		374.8	369.2	455.7	480.3	467.1
Receivables		498.6	565.8	498.5	458.7	476.0
Inventories		602.8	668.7	632.9	582.1	587.9
Investments and other financial assets		24.1	43.7	44.5	50.5	49.0
Property, plant and equipment		588.9	634.8	569.7	478.0	449.2
Intangible assets		205.6	252.9	181.5	159.3	174.0
Current liabilities		677.3	873.9	1 059.1	906.5	877.4
Non-current liabilities		522.2	529.0	303.1	462.6	555.9
Total liabilities		1 199.5	1 402.9	1 362.2	1 369.1	1 433.3
of which interest-bearing		385.2	454.2	455.8	499.7	538.6
Net cash/debt		– 10.4	– 85.0	– 0.1	– 19.4	– 71.5
Equity		1 154.1	1 201.6	1 074.1	890.3	814.4
Equity ratio		49.0%	46.1%	44.1%	39.4%	36.2%
Return on equity (ROE)		11.9%	16.7%	20.0%	18.3%	16.3%
Net working capital		450.3	472.6	416.0	347.5	314.5
Net operating assets (NOA) average		1 295.7	1 268.0	1 061.3	969.6	827.8
Return on net operating assets (RONOA) after tax		11.5%	15.8%	19.3%	17.0%	17.0%
Number of employees at 31 December [1]		11 072	11 554	10 916	10 166	10 136
Average number of employees during year [1]		11 486	11 631	10 788	10 383	9 380
Net sales per employee	CHF 1 000	217	241	250	251	249

[1] Expressed as full-time equivalents

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