BUCHER

Annual report 2014

Key figures >

Key figures

Group

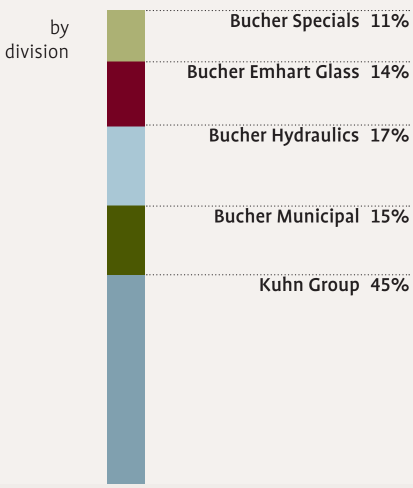
CHF million		2014	2013	change in %	change in %[1]	change in %[2]
Order intake		2 742.1	2 718.2	0.9	2.3	– 0.4
Net sales		2 805.6	2 690.8	4.3	5.8	2.7
Order book		788.9	850.4	– 7.2	– 6.2	– 6.4
Operating profit before depreciation and amortisation (EBITDA)		349.8	371.1	– 5.7		
As % of net sales		12.5%	13.8%			
Operating profit (EBIT)		257.2	287.1	– 10.4		
As % of net sales		9.2%	10.7%			
Net financial items		– 13.2	– 11.4	– 15.8		
Income tax expense		– 54.3	– 79.5	31.7		
As % of profit before tax		22.3%	28.8%			
Profit/(loss) for the year		189.7	196.2	– 3.3		
As % of net sales		6.8%	7.3%			
Earnings per share in CHF		18.58	19.64	– 5.4		
Capital expenditure		116.3	136.6	– 14.9		
Operating free cash flow		53.7	91.7	– 41.4		
Development costs		102.4	90.5	13.1		
Net cash/debt		– 85.0	– 0.1	n.a.		
Total assets		2 604.5	2 436.3	6.9		
Equity		1 201.6	1 074.1	11.9		
Equity ratio		46.1%	44.1%			
Return on equity (ROE)		16.7%	20.0%			
Net operating assets (NOA), average		1 268.0	1 061.3	19.5		
Return on net operating assets (RONOA), after tax		15.8%	19.3%			
Number of employees at 31 December		11 554	10 916	5.8		1.2
Average number of employees during year		11 631	10 788	7.8		4.2
Net sales per employee in CHF 1 000	CHF 1 000	241	250	– 3.6	– 2.0	– 1.6

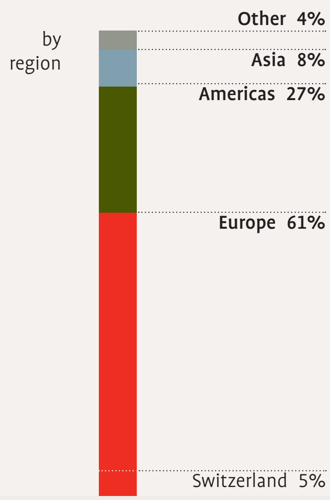
[1] Adjusted for currency effects.
[2] Adjusted for currency, acquisition and disposal effects.

Divisions

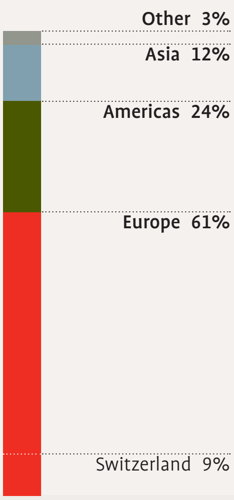
CHF million	Order intake 2014	Order intake 2013	Net sales 2014	Net sales 2013	Order book 2014	Order book 2013	Operating profit (EBIT) 2014	Operating profit (EBIT) 2013	Number of employees at 31 December 2014	Number of employees at 31 December 2013
Kuhn Group	1 221.4	1 261.7	1 261.9	1 285.8	454.1	482.2	152.7	191.2	5 207	4 699
Bucher Municipal	415.6	393.5	418.7	383.2	100.7	104.2	32.2	33.1	1 557	1 523
Bucher Hydraulics	484.5	451.8	475.4	453.3	78.2	69.1	48.5	42.4	2 043	1 984
Bucher Emhart Glass	367.0	354.1	389.2	346.6	95.1	118.7	15.2	16.7	1 890	1 864
Bucher Specials	299.3	257.1	304.5	244.0	72.9	76.2	27.1	24.4	793	785
Other/consolidation	– 45.7	–	– 44.1	– 22.1	– 12.1	–	– 18.5	– 20.7	64	61
Group	**2 742.1**	**2 718.2**	**2 805.6**	**2 690.8**	**788.9**	**850.4**	**257.2**	**287.1**	**11 554**	**10 916**

Net sales



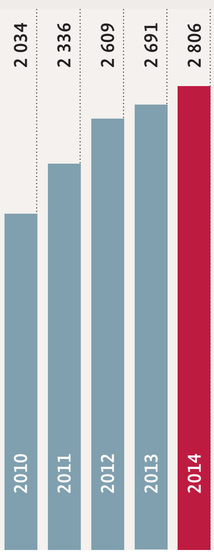


Number of employees

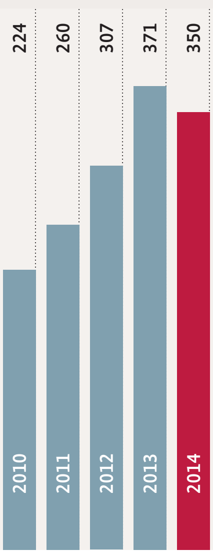


Five-year summary

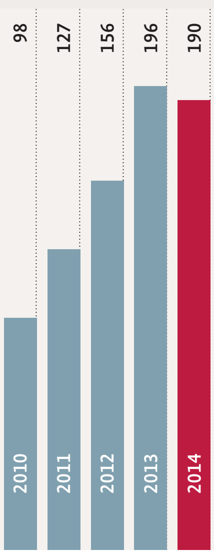
Net sales
CHF million



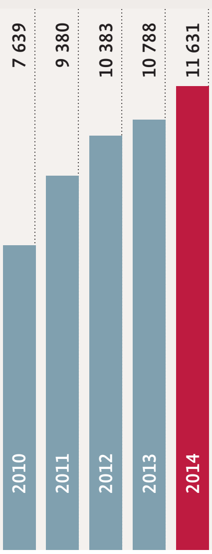
Operating profit (EBITDA)
CHF million



Net profit
CHF million



Average number
of employees



Contents

Bucher at a glance

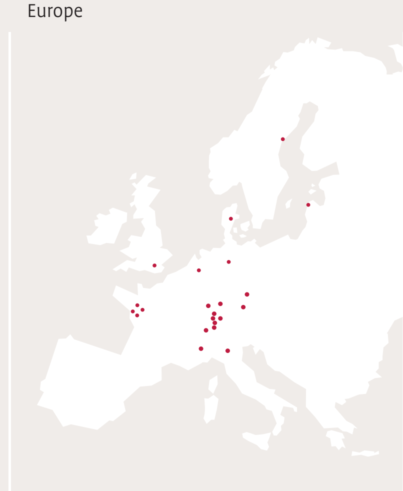
We maintain our flexibility through decentralised management and profit responsibility, combined with group-wide strategic and financial management and a strong equity base. In setting targets for the operating profit margin of 12% EBITDA and 9% EBIT on net sales over an economic cycle, we are pursuing the ambitious financial target of a 16% after-tax return on net operating assets (RONOA).

Our mission Bucher develops and manufactures economical, state-of-the-art and environmentally sustainable machinery and systems. Our products are geared to customers' requirements, durable and highly energy efficient. Bucher machinery is used for a variety of purposes, such as harvesting, producing and packaging foods, keeping cities and roads clean and safe, or hydraulic systems for high-performance equipment. We provide our customers with effective, innovative products, with high quality standards underpinned by outstanding service. We offer our committed, highly skilled employees 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.

Manufacturing sites

Europe



Our businesses

The Group comprises five divisions specialising in industrially related areas of mechanical and vehicle engineerings. Their operations are geared towards fundamental human needs and have substantial worldwide growth and earnings potential.

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 custom-made hydraulic systems. The wide range of products includes pumps, motors, valves, power units, cylinders, 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 technolgies 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).

Report to shareholders

Dear Shareholders

We are delighted to offer you this overview of the 2014 business year, which was a positive one. With our principal markets showing regional variations in trends, sales rose 4% and order intake was just above the previous year. With the exception of Kuhn Group, all divisions contributed to the growth in sales. At 9.2%, the operating profit margin was 1.5 percentage points lower than the record level attained the year before. However, Group profit for the year of CHF 190 million and earnings per share of CHF 18.58 were slightly below the record level achieved the previous year.

Market trend After several very good years, demand for agricultural machinery showed a marked decline against a background of falling cereal prices. The arable segment was particularly affected, while livestock farming made gratifying gains. The market for municipal vehicles and winter maintenance equipment remained at a low, though stable level. In the business with hydraulic systems, demand in North America picked up significantly, while the European market weakened again in the second half of the year. The business with glass-forming and inspection machinery showed wide regional variations, but remained stable overall. Demand for winemaking equipment and installations for processing fruit juice made pleasing progress. By contrast, the Swiss distributorship for tractors and agricultural machinery was unable to escape the full effects of the downturn in the market for agricultural machinery.

Business performance In the reporting year, the Group increased sales by 4% and order intake by 1% year on year. With the exception of Kuhn Group, all divisions contributed to this pleasing development. Kuhn Group suffered a fall in sales due to the worldwide slowdown in the agricultural machinery market. Bucher Municipal profited from a major order worth CHF 53 million from the city of Moscow. Bucher Hydraulics and Bucher Specials took advantage of the positive impetus in their respective markets to generate marked sales growth. Bucher Emhart Glass benefitted from the good cooperation with Owens-Illinois, which resulted in a particularly strong boost for the spare parts and service business. Operating profit of the Group of CHF 257 million was 10% down on the very high level attained the previous year. This trend was due to the expected slowdown at Kuhn Group and the delays in implementing the strategic realignment at Bucher Emhart Glass. Lower profits in high-tax countries and positive one-off effects resulting from tax cases brought significantly reduced tax expenses, resulting in a pleasing profit for the year of CHF 190 million, against the record level of CHF 196 million attained the previous year. The average price per share was CHF 18.58.

Financial situation In the reporting year, the average net operating assets increased by CHF 207 million to CHF 1 268 million. This development was largely due to investments totalling CHF 185 million, of which CHF 116 million was committed to expansion of the production sites and CHF 66 million to the acquisition of Kuhn-Montana in Brazil. A return on net operating assets (RONOA) after tax of 15.8% almost met the high target of 16% set by the Group. The higher dividend and the investments and acquisitions resulted in a free cash flow of minus CHF 66 million. Bucher Industries successfully issued two bonds, each of CHF 100 million, to secure long-term refinancing of the existing bond of CHF 200 million, using favourable market conditions by lengthening the average maturity of its financial liabilities. Net debt stood at CHF 85 million and the equity ratio increased from 44% to 46%.

Acquisitions In March of the reporting year, Kuhn Group completed the acquisition of Montana Indústria de Máquinas S/A, Brazil, a manufacturer of large, self-propelled crop sprayers and fertiliser spreaders, and renamed the company Kuhn-Montana. The acquisition significantly strengthened Kuhn Group's market position in South America; the division began the process of operational integration without delay. The voluntary public tender offer to the shareholders of Jetter AG, Ludwigsburg, Germany, for the purchase of all the shares, which Bucher Industries launched at the end of September 2013, was completed in the reporting year. By the end of the reporting year, the Group held 96% of the share capital of Jetter AG.

Kuhn Group In the reporting year, Kuhn Group's principal markets showed a downward tendency due to faltering cereal prices. The market for tillage machinery in North America and Europe was particularly badly affected. Demand in France, Europe's biggest market, saw a significant decline. Despite this trend, Kuhn Group was able to maintain its business performance at an attractive level. Thanks to its strong position in dairy and livestock farming, the division was to some extent able to compensate for the decline in the arable segment. Accordingly, the decline in sales and order intake, at 2% and 3% respectively, was less pronounced than in the market as a whole. The operating profit margin, at 12.1%, was lower than the record level attained the previous year.

Bucher Municipal As in the previous year, the overall market environment for sweepers and winter maintenance equipment remained stable at a low level. Economy measures continued to be imposed by towns and cities in Europe, but the Australian market for refuse collection vehicles was similarly affected. The business with winter maintenance equipment still lacked positive momentum owing to several consecutive warm winters in Europe. Nevertheless, Bucher Municipal held its ground well, increasing both sales and order intake. This success was attributable above all to a follow-up major order worth CHF 53 million from the city of Moscow. In the reporting year, all sweepers and spreaders were delivered on time and at the end of the year all accounts receivable relating to the major order had been settled. Due to the impact of the weak winter maintenance business, the operating profit of CHF 32 million was somewhat lower than the high level of the previous year, which was boosted by a non-recurrent gain on the divestment of the hand-drier business.

Bucher Hydraulics Bucher Hydraulics can look back on a gratifying performance over the year as a whole. The various market segments of Bucher Hydraulics developed along different lines, but on the whole the trend was positive. Demand in the European markets was buoyant at the beginning of the reporting year, but fell back slightly towards the end of the year. Demand in North America was very lively, but in China it remained at a low level. The division once more demonstrated its proven expertise in the field of hydraulic system solutions, increasing order intake as well as sales. Demand was particularly lively in the construction machinery segment, which staged a welcome recovery, above all in Europe, but also in materials handling and industrial hydraulics. Thanks to its good market position and long-term serial orders, the division succeeded in keeping the effects of the downturn in the key agricultural machinery segment within bounds. Underpinned by its good market performance, the division was able to close the business year with an operating profit margin of 10.2%, a significant improvement on the previous year.

Bucher Emhart Glass The market for glass-forming and inspection machinery remained stable overall, despite marked regional differences. The project business, particularly in Central and South America, was at a gratifyingly high level; in other regions it was stable, but in Eastern Europe investment was lacking. In China, too, demand continued to develop at a very subdued pace. By contrast, glass container manufacturers invested in the maintenance of existing installations. This led to pleasing expansion of the spare parts and service business, which was also underpinned by the good cooperation with Owens-Illinois. Bucher Emhart Glass generated significant sales growth in this environment. Operating profit was slightly lower than in the previous year and the operating profit margin came in at an unsatisfactory 3.9%. Certain parts of the division's strategic realignment project were delayed by about twelve months because customer projects were given priority. As a result, it has not yet been possible to achieve the required economies through transfer of component production. There were also write-downs on accounts receivables as well as higher start-up costs for the projects relating to the strategic realignment and cooperation with Owens-Illinois.

Bucher Specials Bucher Specials benefitted from a lively mood in the markets. The division increased order intake and sales at a double-digit rate, especially as a result of the consolidation of Jetter Automation Technology. While operating profit made gratifying progress, rising by about 11%, the operating profit margin fell slightly. Bolstered by subsidy programmes, wine producers – particularly in France, Spain and Italy – once again increased their investment in winemaking equipment. In the drinks technology segment, the business with fruit juice processing equipment profited from the backlog of investment in modernisation at fruit-juice producers. Major orders for beer filtration equipment were also successfully completed. The Swiss distributorship for tractors and agricultural machinery was confronted with the downturn in the market for agricultural machinery, but was able to hold its own well, experiencing only a slight decline in sales. Jetter's business with industrial and mobile automation solutions remained stable in line with expectations, passing breakeven point as planned thanks to a comprehensive range of measures.

Dividend In view of the virtually unchanged profit for the year in 2014 as well as a consistent dividend policy, the board of directors is proposing that the annual general meeting on 14 April 2015 approve payment of a dividend of CHF 6.50 per registered share, equivalent to last year's payout.

Board of directors and group management On 10 April 2014, the annual general meeting elected Valentin Vogt as a new member of the board of directors. Stefan Düring, head of Bucher Specials, was appointed as a new member of group management as of 1 January 2014, and Thierry Krier, head of Kuhn Group and successor to Michel Siebert, as of 1 October 2014.

On 8 December 2014, the Group announced the appointment of Dr. Jacques Sanche as the new CEO of Bucher Industries, with effect from the date of the annual general meeting in April 2016. At the same time, it will be proposed to the annual general meeting that the long-serving CEO, Philip Mosimann, be elected as chairman of the board to replace Rolf Broglie, who is stepping down. At this early stage, it has been possible to find, in Jacques Sanche, a well-suited and internationally experienced successor for the role of CEO. In addition to his studies in economics at the University of St. Gallen, where he acquired a doctorate, Jacques Sanche has gained a high level of understanding in the fields of technology and innovation as well as efficient production processes.

Thanks to our employees and partners Against a background of regional variations in market trends and a challenging economic environment, the Group produced a pleasing business performance. This success is not least down to our employees and their great efforts and expertise deployed on behalf of the Group across the world. This high level of commitment is what inspires the confidence of our customers, business partners and shareholders, who place their trust in the performance and reliability of our divisions on the basis of cooperative partnership. All our stakeholder groups contribute to the success of Bucher Industries and we owe them all a debt of gratitude.

Outlook for 2015 The Group does not anticipate any significant improvement in the economic situation during the current business year. Kuhn Group is reckoning with a further slight decline in the market for agricultural machinery. In the business with municipal vehicles, Bucher Municipal, does not expect that sales for 2015 will quite match the previous year, despite the follow-up order worth CHF 30 million from the city of Moscow for 2015. Bucher Hydraulics is anticipating a slight recovery in demand, while Bucher Specials expects demand to remain stable. Bucher Emhart Glass does not consider it likely that there will be any significant change in its markets and will concentrate on improving profitability. Without taking account of the impact of currency influences since mid-January of the current year, the Group's 2015 projections are for a slight drop in sales and an operating profit in the region of the 2014 level.

In mid-January 2015, the Swiss National Bank discontinued the minimum euro rate of CHF 1.20, which led to a massive appreciation of the Swiss franc against the Group's principal trading currencies. In view of the internationalisation of the Group's business over many years – with less than 10% of the workforce now employed in Switzerland – the exchange-rate shock mainly affects currency translation of sales and results. Profitability at the production plants in Switzerland also comes under pressure, which is why corrective measures have been initiated. With the exchange rates pertaining at the end of February 2015, the negative currency effects on sales in Swiss francs will be over 10% and on operating profit around 15%, also due to one-off devaluation effects on balance sheets items. The operating profit margin should be around 0.5 percentage points down on the previous year's level because of currency effects.

Niederweningen, 5 March 2015

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		2014	2013	2012	2011	2010
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	10 565 900	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	149 450	227 907	465 073	798 494	542 516
Issued share capital	CHF	2 050 000	2 050 000	2 050 000	2 113 180	2 113 180
Market capitalisation and dividends						
Market capitalisation	CHF million	2 551.2	2 654.8	1 845.0	1 734.9	1 845.9
as % of equity	%	220.0	257.7	215.8	222.2	251.0
Gross dividend per registered share	CHF	6.50 [1]	6.50	5.00	4.00	3.00
Total dividend	CHF million	66.6 [1]	66.6	51.3	42.3	31.7
Payout ratio	%	35.6 [1]	34.3	34.2	33.9	33.2
Per share data						
Profit/(loss) for the year						
Basic earnings per share	CHF	18.6	19.6	15.5	12.5	9.5
Diluted earnings per share	CHF	18.5	19.5	15.5	12.5	9.5
Net cash flow from operating activities	CHF	16.1	22.3	20.4	17.6	26.0
Equity	CHF	113.2	100.5	83.4	73.9	69.7
Year high	CHF	314.3	259.0	200.3	215.0	175.0
Year low	CHF	218.2	182.2	144.2	128.7	111.6
Year-end price	CHF	248.9	259.0	180.0	164.2	174.7
Average price	CHF	269.0	226.0	173.5	173.8	136.0
Average dividend yield	%	2.4 [1]	2.9	2.9	2.3	2.2
Average daily trading volume	number	17 676	13 824	16 674	20 001	16 697
Price/earnings ratio (year-end price)		13.4	13.2	11.6	13.1	18.3

[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:

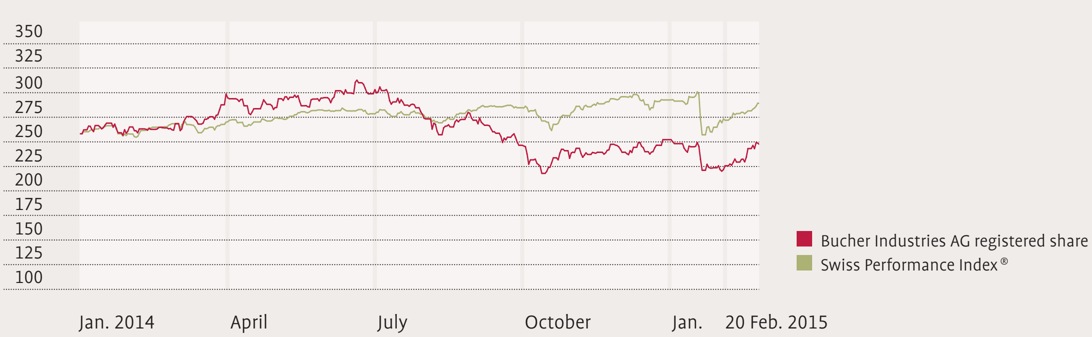
Security No.	243217
ISIN	CH0002432174
SIX Swiss Exchange	BUCN
Reuters	BUCN.S
Bloomberg	BUCN SW

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

Financial calendar

Annual general meeting (Mövenpick Hotel, Regensdorf)	14 April 2015	15.30h
First trading date ex-dividend	16 April 2015	
Dividend payment	21 April 2015	
Release of first quarter 2015 group sales	30 April 2015	
Sustainability report	30 June 2015	
Interim report 2015	30 July 2015	
Release of third quarter 2015 group sales	27 October 2015	
Release of 2015 group sales	2 February 2016	
Annual press conference	8 March 2016	09.00h
Annual analyst conference	8 March 2016	14.00h
Publication of annual report 2015	8 March 2016	
Annual general meeting (Mövenpick Hotel, Regensdorf)	14 April 2016	15.30h
First trading date ex-dividend	18 April 2016	
Dividend payment	20 April 2016	
Release of first quarter 2016 group sales	28 April 2016	
Sustainability report	30 June 2016	
Interim report 2016	27 July 2016	
Release of third quarter 2016 group sales	27 October 2016	

Share price performance CHF



Contact

Philip Mosimann, CEO
Roger Baillod, CFO

Bucher Industries AG
Murzlenstrasse 80
CH-8166 Niederweningen
Phone +41 43 815 80 80
Fax +41 43 815 80 81
info@bucherindustries.com
www.bucherindustries.com

Kuhn Group

Contributing to feeding a growing world population

The world's population is growing – and with it the demand for food. In the next 50 years, farmers will have to produce more food than in the last 10 000 years combined. Kuhn follows agricultural trends worldwide and listens to its customers to design and manufacture a full range of innovative and high-quality machines that meet their evolving needs. This is Kuhn's contribution to serving the noble cause of feeding a growing world.

Kuhn Group

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

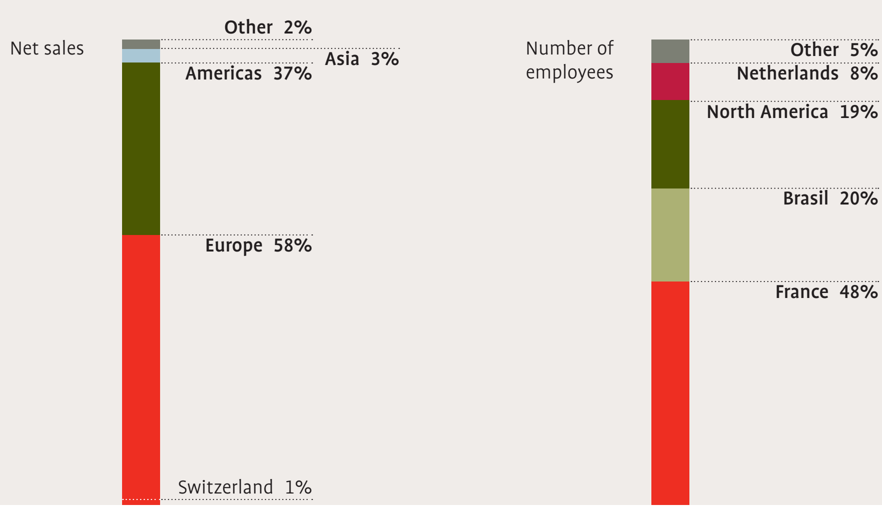
Highlights The reporting year was marked by falling prices for various agricultural commodities, causing Kuhn Group's principal farm equipment markets in Western and Eastern Europe and the Americas to experience an overall decline. The largest market in Europe, France, was particularly affected. Income levels for arable farmers fell significantly because of the sharp drop in grain prices. Price levels in the livestock sector remained attractive. In line with expectations, the division's order intake and sales showed a slight decrease. Operating profit margin was down compared to the exceptionally high level of the previous year. In 2014, Kuhn Group accounted for 45% of Group sales (2013: 48%).

Key figures

CHF million			change in		
	2014	**2013**	**%**	**%[1]**	**%[2]**
Order intake	1 221.4	1 261.7	–3.2	–1.2	–5.3
Net sales	1 261.9	1 285.8	–1.9	0.2	–4.6
Order book	454.1	482.2	–5.8	–4.4	–4.8
Operating profit (EBITDA)	195.5	229.8	–14.9		
As % of net sales	15.5%	17.9%			
Operating profit (EBIT)	152.7	191.2	–20.1		
As % of net sales	12.1%	14.9%			
Number of employees at 31 December	5 207	4 699	10.8		–
Average number of employees	5 227	4 754	9.9		1.6

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

Geographical analysis



Market trends Overall, Kuhn Group's markets showed a downward trend. Good grain harvests coupled with high agricultural commodity prices and the extension of the area cultivated using modern production techniques in recent years led to high cereal stocks worldwide. In the reporting year, grain prices fell, and producers held back on their machinery investments. The markets for tillage and planting and seeding machinery in North America and Europe were particularly affected. The dairy sector in these key markets also felt the effects of a downward trend, while the North American beef sector continued to benefit from very satisfactory prices. In Europe, France was particularly hard hit by the decline in demand. In Brazil, the agricultural sector was only able to avoid the effects of the marked economic downturn to a limited degree. Thanks to its balanced positioning in the crop production and dairy and meat sectors, Kuhn Group was less affected by the downturn than the major tractor and combine harvester manufacturers.

Business performance In the reporting year, Kuhn Group succeeded in maintaining its business performance at a good level, although demand for agricultural machinery in the division's principal markets fell sharply. Thanks to the wide and diversified product range in hay and forage harvesting, livestock bedding and feeding, as well as the strong worldwide presence of the Kuhn sales organisation, Kuhn Group was able to partially compensate for the decline in the crop production sector, resulting in a more moderate reduction in sales and order intake than the overall market. Operating profit margin of 12.1% was down on the record margin of the previous year.

Integration of Kuhn-Montana In March of the reporting year, Kuhn Group completed the acquisition of Montana Indústria de Máquinas S/A, Brazil, a manufacturer of agricultural implements, including self-propelled crop sprayers and fertiliser spreaders. Drawing on many years of experience, Kuhn Group began the integration work of the newly acquired entity without delay. The acquired business was renamed Kuhn-Montana and placed under a unified management structure leveraging synergies and combining the strengths and market positions of the new entity and the existing Kuhn do Brasil company. This included the gradual merging of the two sales organisations and networks. To a large extent, Kuhn Group was able to rely on the great commitment and support of the Kuhn-Montana personnel and customers for the implementation of these changes.

Kuhn Center for Progress During the first year following the opening of Kuhn's state-of-the-art European visitor and training center named "Kuhn Center for Progress" (KCFP) in Saverne, France, Kuhn Group welcomed approximately 5 000 visitors at the center, including farmers, dealers and other specialists in the agricultural machinery segment. For example, the first major international event held at the KCFP in June 2014 named "GrassMaster", focusing on hay and forage machinery technology, attracted over 600 dealer representatives.

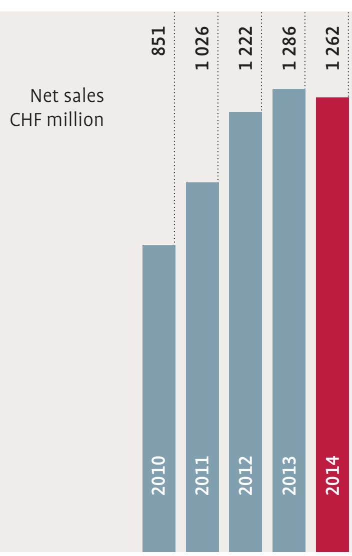
The event included workshops, presentations, discussion forums and the transfer of know-how about the Kuhn Group products and services while experts presented their views on the future for a strong and sustainable agricultural sector.

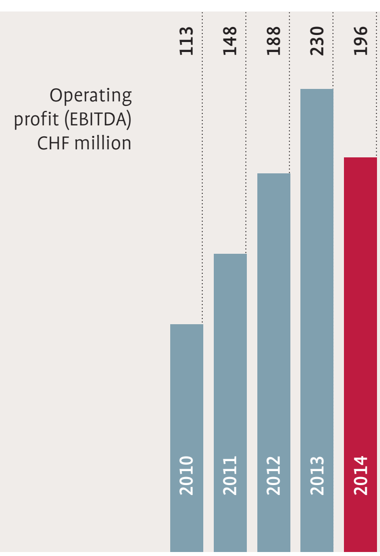
First automated feeding system In the reporting year, Kuhn Group entered the automated feeding technology segment, presenting an automated feeding system at the SPACE trade fair in France and the EuroTier show in Germany. In a related move, Kuhn Group entered into a partnership with a Norwegian firm specialising in automatic feed distribution equipment able to be operated in connection with a stationary feed mixer. The first system has been sold in France. With its automated feeding system, Kuhn Group is responding to the growing need on the part of dairy operations in Western Europe for reduced workloads and more user-friendly work processes. With such installations, dairy operations benefit from a number of advantages including lower feeding costs due to the reduction in labour costs, the ability to more easily feed cattle multiple times a day resulting in increases in milk yield, as well as more efficient utilisation of the farm’s layout. The automated feeding system will initially be marketed under the Kuhn brand in France, Germany, Austria and Switzerland.

Investments As part of its long-term approach to operate industry-leading efficient and productive manufacturing facilities, Kuhn Group acquired land at its Geldrop site in the Netherlands and Brodhead, Wisconsin in the USA in 2013, and in the reporting year has begun investing a total of CHF 32 million in the infrastructure of these important production and development centers. In Geldrop, the division built a new modern 16 500 m² assembly facility to cope with the increasing size, complexity and anticipated future production volumes of the bale packaging products it manufactures. The transfer of the assembly lines was completed during the reporting year. In the new factory facilities, the flow of materials is being optimised and production is being organised following the principles of lean manufacturing. The expanded and updated facilities include a new powder painting installation and a new shipping building.

At the Brodhead, Wisconsin, site the division launched another ambitious project to improve internal workflow and processes. The planned investments include a capacity expansion of the site and the reorganisation of the production processes and means of production, as well as a new, dedicated powder and wet paint-spraying facility. The high-tech paint facility will be a key factor in the improvement of product quality, manufacturing efficiency and working conditions, and will also allow the coating of even larger machines in the future.

Management changes Thierry Krier was appointed a member of group management and the new head of the Kuhn Group division, with effect from 1 October 2014. He succeeded Michel Siebert, who took his well-earned retirement at the end of September 2014 after 35 extremely successful years with Kuhn. Thierry Krier





is a long-serving employee of Kuhn Group. For the last 20 years, he has headed the division's operations in North America. Under his leadership, the division decisively expanded its presence in North America and increased its sales tenfold to around USD 400 million, making Kuhn Group one of the leading farm equipment providers in the United States and Canada.

Outlook for 2015 After several years of brisk investment activity on the part of farmers, driven by high prices for agricultural produce, demand slowed. This tendency will be particularly noticeable in cereal production, while livestock farmers will be less affected. Kuhn Group is expecting a downward trend in demand, with regional variations. The sector most affected is arable farming. In France, Eastern Europe, Brazil and Japan the decline will be more marked than in Germany and North America. Furthermore, the slower pace of economic development in Brazil could have a negative impact on the business performance of Kuhn-Montana. Overall, the division expects sales in local currencies on a par with the previous year, though the exchange rates as per the end of February 2015 will result in a significantly lower figure for sales after currency translation. Operating profit margin is unaffected by the appreciation of the Swiss franc and should hold firm, only slightly below the previous year's level.

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.

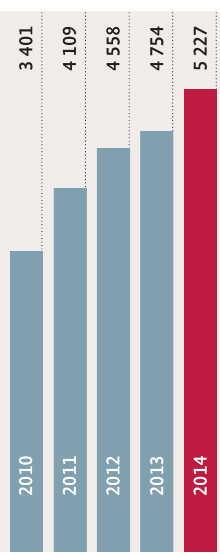
Hervé Arlot,
Kuhn-Huard SA

Greg Petras,
Kuhn North America, Inc. & Kuhn Krause, Inc.

Mario Wagner,
Kuhn do Brasil S/A & Kuhn-Montana Indústria de Máquinas S/A

At 5 March 2015

Average number of employees during year



Bucher Municipal

Keeping public spaces clean and welcoming for all

Our sweepers are in service day and night. That is possible because our innovative improvements reduce the noise and dust emissions from the vehicles. At the same time, we are developing new, energy-efficient drive systems, continuously reducing exhaust emissions, aiming for virtually emission-free compact sweepers for inner city areas and pedestrian precincts.

Bucher Municipal

Activities Bucher Municipal is the European and Australian market leader in municipal vehicles for cleaning and clearing snow from roads. Its range encompasses 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, the USA, Australia and South Korea.

Highlights In the reporting year, the principal market for sweepers and winter maintenance equipment in Europe remained stable at a low level. In Australia, demand for refuse collection vehicles failed to recover. Nevertheless, the division continued to perform well thanks to the major order from the city of Moscow. Order intake rose by 6% and sales by 9%. Operating profit was slightly below the high level of the previous year. The division accounted for 15% of Group sales (2013: 14%).

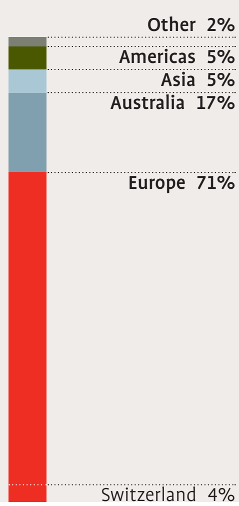
Key figures

CHF million			change in		
	2014	2013	%	%[1]	%[2]
Order intake	415.6	393.5	5.6	6.7	7.1
Net sales	418.7	383.2	9.3	10.5	11.1
Order book	100.7	104.2	−3.4	−3.3	−3.2
Operating profit (EBITDA)	39.9	40.1	−0.5		
As % of net sales	9.5%	10.5%			
Operating profit (EBIT)	32.2	33.1	−2.7		
As % of net sales	7.7%	8.6%			
Number of employees at 31 December	1 557	1 523	2.2		2.2
Average number of employees during year	1 582	1 488	6.3		6.6

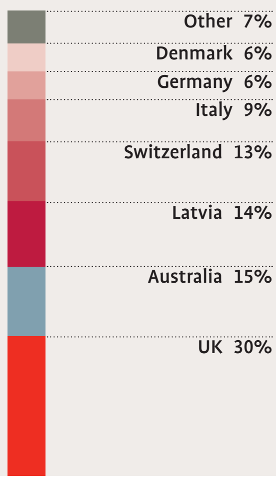
[1] Adjusted for currency effects.
[2] Adjusted for currency and disposal effects.

Geographical analysis

Net sales



Number of employees



Market trend In the reporting year, the overall market environment for sweepers and winter maintenance equipment was little changed and remained stable at a low level. Towns and cities in Europe continued to impose austerity measures. In Australia, too, economy measures made themselves felt and the demand for refuse collection vehicles remained at the previous year's level. The business with winter maintenance equipment continued to be affected by a lack of positive momentum owing to several successive warm winters in Europe. This slowdown in demand resulted in more intensive competition among suppliers, with market volumes remaining correspondingly low.

Business performance In the reporting year, the markets served by Bucher Municipal stagnated; in spite of this, the division's business performed well and recorded higher sales, one reason being a further major order from the city of Moscow. This order encompassed sweepers and winter maintenance equipment with a total value of CHF 53 million. It was fully delivered in the reporting year to the customer's complete satisfaction. The operating profit was slightly lower than the high figure achieved a year ago, though this was influenced by one-off disposal income of CHF 4 million from the sale of the hand-drier business. The slowdown can be attributed in particular to the weak performance of the business with winter maintenance equipment.

New brand platform Since 1991, Bucher Municipal has grown strongly through acquisitions, which resulted in a market presence with various brands. In the reporting year, Bucher Municipal established a new market presence, focusing on two brands: Bucher Municipal and Johnston. The Bucher Municipal brand today encompasses the range of municipal vehicles from Bucher Schörling, the Giletta, Gmeiner and Assaloni winter maintenance equipment, as well as refuse collection vehicles from MacDonald Johnston in Australia. The simplified brand platform clearly shows what stands behind the brand: outstanding market positions in Europe and Australia, a rich fund of know-how based on many years of experience, a portfolio of top-quality products and services and the affiliation to and shared identity with the Bucher Group. The new branding was presented to customers for the first time at the IFAT trade show in Munich and was very well received. Customers responded positively to the now clearly visible breadth of the product range and the expert know-how and market position that entails.

Major order from the city of Moscow In March of the reporting year, Bucher Municipal was once more chosen as preferred supplier in a major international competitive tender from the city of Moscow. This follow-up order bears testimony to a customer relationship going back several years and the satisfaction with the reliability of delivery, the first-class service as well as the quality of the vehicles and equipment in the harsh working conditions in Moscow. The major order from

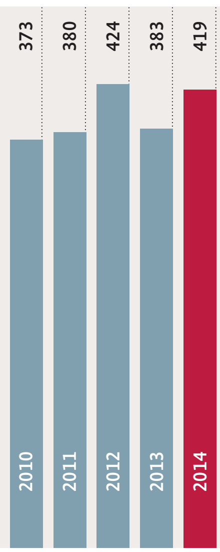
the city of Moscow was part of a large-scale tendering process covering a wide range of infrastructure equipment, including sweepers, snowploughs and spreaders for winter maintenance worth a total of CHF 53 million. Bucher Municipal delivered the entire order in the course of the reporting year, so there were no accounts receivable outstanding at the end of the year. The satisfactory handling of the order is not only attributable to a decade of close cooperation with the customer, but especially to the division's flexible production capacity, facilitating short delivery times.

New compact sweeper Bucher Municipal presented the newly developed 4 m³ compact sweeper CityCat 5006 at the IFAT in Munich, the biggest trade fair for environmental engineering and municipal vehicles. The vehicle offers increased suction performance with lower noise levels and has a larger capacity hopper, setting new standards in performance and range to satisfy customer requirements. The vehicle also offers a significantly higher level of operator comfort and ease of use. With the CityCat 5006, Bucher Municipal is the first manufacturer worldwide to offer a Euro-6-compliant vehicle in this class, and it has been received with enthusiasm by its customers.

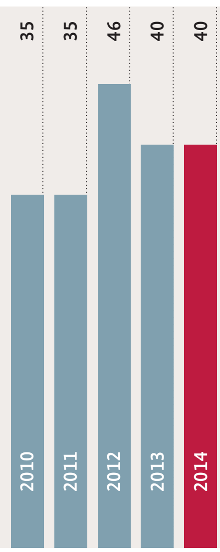
New mechanical truck-mounted sweeper August of the reporting year saw the successful presentation of Johnston Sweepers' first mechanical truck-mounted sweeper at the APWA trade fair (American Public Works Association) in Toronto, Canada. The new vehicle, designed for the North American market, was developed in close collaboration with selected dealers and customers. The product is tailored to North American customers' requirements. Unlike the European market, where the demand is mainly for suction sweepers, mechanical sweepers are the favoured product in North America. Johnston Sweepers is set to launch the mechanical sweepers onto the market and make first deliveries in mid-2015.

Spreaders with fully electric drives As part of a comprehensive new winter maintenance equipment range, Bucher Municipal presented the first electrically powered spreaders at the IFAT fair in Munich. The spreader stands out thanks to minimal environmental impact in terms of noise and CO_2 emissions. Traditional hydraulic drive systems have been replaced by highly efficient brushless electric motors. These have no need of oil or oil filters, thus reducing maintenance requirements and costs. Thanks to the autonomous drive system, the sweeper kit can be mounted on almost all kinds of admissible vehicle chassis.

Net sales
CHF million



Operating
profit (EBITDA)
CHF million



Completion of the consolidation in Great Britain In the reporting year, Johnston Sweepers completed the merger of the original three plants to create a single plant in Dorking, subsequently selling the former sites in Ash Vale and Sittingborne. The production processes in Dorking were optimised and integrated into the operational processes. This high investment has created one of the most modern municipal vehicle plants, ensuring a high level of profitability at Johnston Sweepers for the foreseeable future

Outlook for 2015 For the current year, Bucher Municipal does not expect any significant change in demand trends. The cyclical weakness in Europe, coupled with the weak euro, is set to continue and the other principal market, Australia, lacks the momentum necessary to improve the economic situation. The positive market trend in the USA will not be sufficient to offset the lack of momentum in Europe. Positive impetus could come in the form of harsh snowy and icy winter weather. The crisis in the Ukraine, coupled with the economic sanctions imposed by Western governments, has brought about a collapse in the value of the rouble. Nevertheless, the city of Moscow awarded the division a follow-up order worth CHF 30 million in February 2015. Taking into account the new exchange rates at the end of February 2015, sales are likely to fall at an emphatically double-digit rate. The impact on profitability is likely to be negative. Accordingly, Bucher Municipal expects a significant drop in sales, with profitability below last year's level.

Division management

Michael Häusermann,
Division president

Stefan Häni,
Finance and controlling

Thomas Dubach,
Bucher Municipal Sweepers

Coen van Rosmalen,
Johnston Sweepers

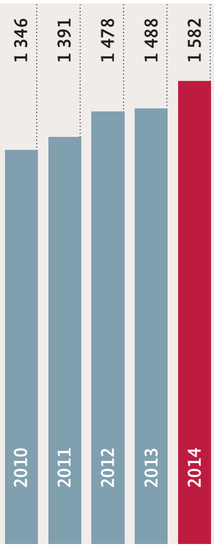
Peter Rhodes,
Beam

David Waldron,
Bucher Municipal Refuse

Guido Giletta,
Bucher Municipal Winter

At 5 March 2015

Average number of employees during year



Bucher Hydraulics

With one hand: moving 5600 m² of roofing at a dizzying height

Bucher Hydraulics helps customers move things that the human hand alone cannot set in motion. Our hydraulic systems help control even the heaviest weights with the utmost precision. With the deft movements of one hand, the bulkiest objects can be moved and positioned with great accuracy. We relieve people of the heaviest labour and help them accomplish complex, challenging tasks with technically advanced, safe machinery.

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, the various market segments of Bucher Hydraulics developed along different lines, but on the whole the trend was positive. Order intake rose by 7%. The high level of the order book in the middle of the reporting year brought additional impetus and sales exceeded the previous year's level by 5%. The operating profit margin improved by 0.8 of a percentage point to 10.2. The division accounted for 17% of Group sales (2013: 17%).

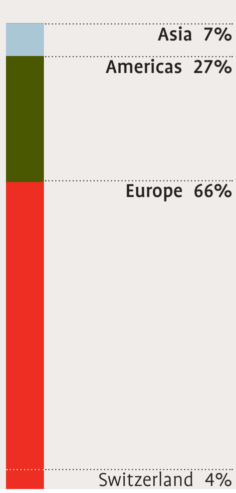
Key figures

CHF million			change in		
	2014	2013	%	%[1]	%[2]
Order intake	484.5	451.8	7.2	8.3	7.4
Net sales	475.4	453.3	4.9	5.9	5.1
Order book	78.2	69.1	13.2	14.2	14.2
Operating profit (EBITDA)	68.4	61.6	11.0		
As % of net sales	14.4%	13.6%			
Operating profit (EBIT)	48.5	42.4	14.4		
As % of net sales	10.2%	9.4%			
Number of employees at 31 December	2 043	1 984	3.0		3.0
Average number of employees during year	2 026	1 939	4.5		4.5

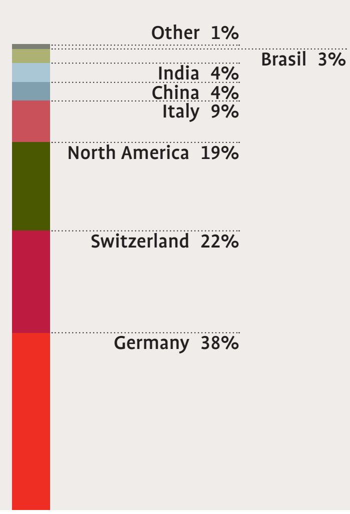
[1] Adjusted for currency effects.
[2] Adjusted for currency and acquisition effects.

Geographical analysis

Net sales



Number of employees

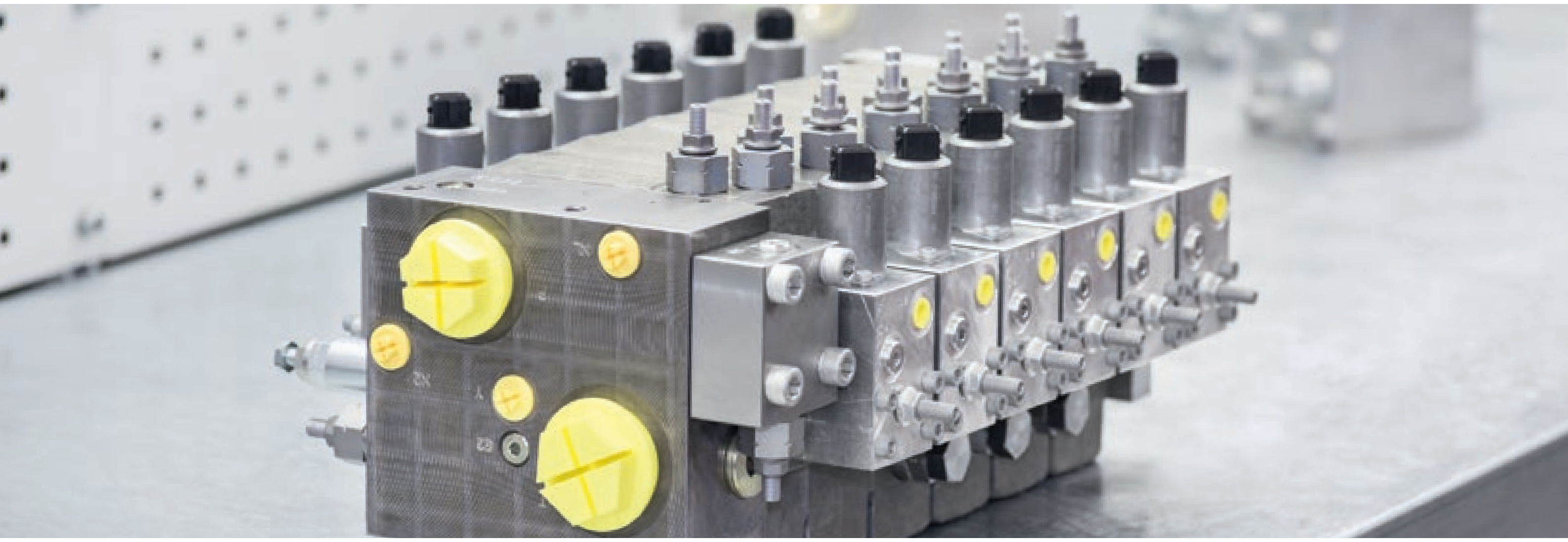


Market trend The market segments of Bucher Hydraulics developed along different lines, but on the whole the trend was positive. In keeping with the positive market sentiment, demand was buoyant in North America, which the division was able to translate into a marked increase in sales. In Europe, demand grew strongly at the start of the year, but fell away somewhat towards the end of the year. In China, by contrast, the market remained at a low level. Demand for products in the agricultural machinery segment developed well, but less strongly than the market for hydraulic applications as a whole, particularly in the second half of the year. As a result, the growth in sales of the new drive systems which went into series production did not live up to expectations.

Business performance Bucher Hydraulics can look back on a gratifying business performance over the year as a whole. The division once more demonstrated its proven expertise in the field of hydraulic system solutions, increasing order intake as well as sales. Demand was particularly lively in the construction machinery segment, which staged a welcome recovery, above all in Europe, and also in materials handling and industrial hydraulics. Thanks to the good market position and long-term serial orders, the division succeeded in keeping the effects of the general downturn in the key agricultural machinery segment well within bounds. Accordingly, the slowdown in the agricultural machinery segment was only slightly below that of the previous year and much less pronounced than the decline in the market as a whole. At the end of the year, the order book was considerably above the volume of the previous year. Driven by the good market performance, the division closed the business year with a much improved operating profit margin of 10.2%.

Strengthening of North American presence In the reporting year, Bucher Hydraulics invested heavily in the expansion of its infrastructure in North America. The existing manufacturing facilities at the Newaygo, Michigan, site were extended by 5 000 m² with the construction of an additional production building. Due to brisk demand for hydraulic power packs for existing and new customers and the serial manufacture of a new generation of directional control valves for a major international customer, the manufacturing centre had reached the limits of its capacity. The capacity expansion was urgently needed because of further planned growth, particularly in mobile hydraulics applications (agricultural and construction machinery, and materials handling), as well as other areas. The investment in this new factory building amounted to some CHF 4 million; construction work will be completed during the first quarter of 2015.

On the other side of Lake Michigan, the division purchased a prime property with an existing factory building in Elgin, Illinois, for CHF 7 million. The building has 10 000 m² of floor space that will enable the further growth of Bucher Hydraulics' cartridge-valve production programme and further strengthening of the

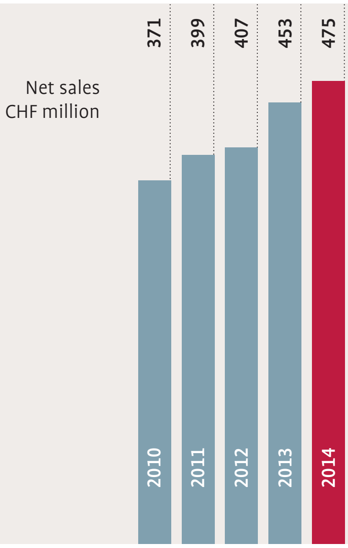


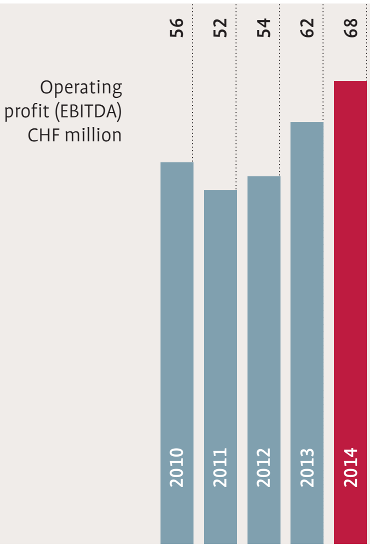
American sales organisation. This latter will be consolidated at the Elgin site, improving service delivery to US customers. The division is due to move into the new premises in stages during the first quarter of 2015.

Expansion in India In the previous year, Bucher Hydraulics acquired a property in Manesar, near New Delhi, India, and undertook an extensive renovation of the building. In the reporting year, the division expanded production capacity at this site. This was followed by important investments in several modern CNC machine tools. The additional machine capacity made it possible both to increase production volume for local customers and to upgrade product quality to international standards. This provided a basis for extension of the manufacture of components from India for other Bucher Hydraulics sites. As a consequence of these investments and the strong growth of the division's business, the workforce increased by more than 20%. The Indian production site today offers a very solid basis for success in the Indian market and in the export business with hydraulic solutions.

Product innovation Together with a well-known manufacturer of commercial vehicles, Bucher Hydraulics has developed a new, fully proportional hydraulic system for high-precision control of a variety of mounted implements. Special features of the innovative hydraulic system are a 30% improvement in performance, easier working, greater flexibility with regard to the variety of implements it can work with, all of which increases the efficiency of the utility vehicles. Another advantage of the new system, and an important one today, is the reduction both in specific fuel consumption and in maintenance costs. The development of this innovative hydraulic system was only possible thanks to the intensive cooperation between the specialists from Bucher Hydraulics and the customer's team. As is usual in hydraulics technology, the functionality of the new system underwent exhaustive testing prior to the launch of series production.

IT and processes Bucher Hydraulics has grown strongly in recent years and is active today across the world, from the Americas via Europe to India and China. The efficient collaboration of all those involved in the sales and value-creation process places great demands on processes that span different locations. This can only be coordinated and controlled with constant upgrades to the IT infrastructure. In the reporting year as well as in the previous years, Bucher Hydraulics made great efforts in this regard, investing in its IT infrastructure and software and introducing cross-divisional, IT-supported processes. These are being set up and applied at all locations in the same or similar form. Today all sites in North America, Europe, India and China are working with the same software. The flow of information from the customer to the sales companies via the production plants, and to the division's suppliers, is IT-assisted and standardised. The enormous effort is paying off. The information available simultaneously and throughout the division is now an important platform for efficient





collaboration on a daily basis and for target-oriented management of the division.

Outlook for 2015 As a supplier to OEMs in various market segments, Bucher Hydraulics is particularly exposed to cyclical market fluctuations. Product and market diversification are both essential to counteract these fluctuations in volume. Uncertainties arising from the sluggish economic development in Europe and China have to be faced. In addition, the division's biggest segment, agricultural machinery, is in decline. On the other hand, the pleasing positive development of demand in the USA should continue. The activities in Brazil and India are still on too small a scale to have a significant impact on the results at divisional level. Bucher Hydraulics expects a positive trend in results expressed in local currencies. These prospects are greatly undermined by the exchange rate situation at the end of February 2015. The division therefore anticipates a drop in sales and profitability on a par with the previous year's level.

Division management

Daniel Waller,
Division president

Peter Minder,
Finance and controlling

Uwe Kronmüller,
Bucher Hydraulics Germany

Aurelio Lemos,
Bucher Hydraulics Switzerland

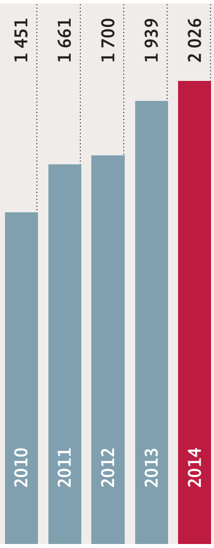
Luca Bergonzini,
Bucher Hydraulics Italy

Dan Vaughan,
Bucher Hydraulics North America

Michael Leung,
Bucher Hydraulics China

At 5 March 2015

Average number of employees during year



Bucher Emhart Glass

Glass packaging: convincing in every respect

Bucher Emhart Glass manufactures machines that produce high-quality glass containers quickly and efficiently. This makes glass available as packaging for drinks and food products to more and more people across the world. Glass is safe and reusable. It not only preserves the taste of the packaged product – it protects people’s health.

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, 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.

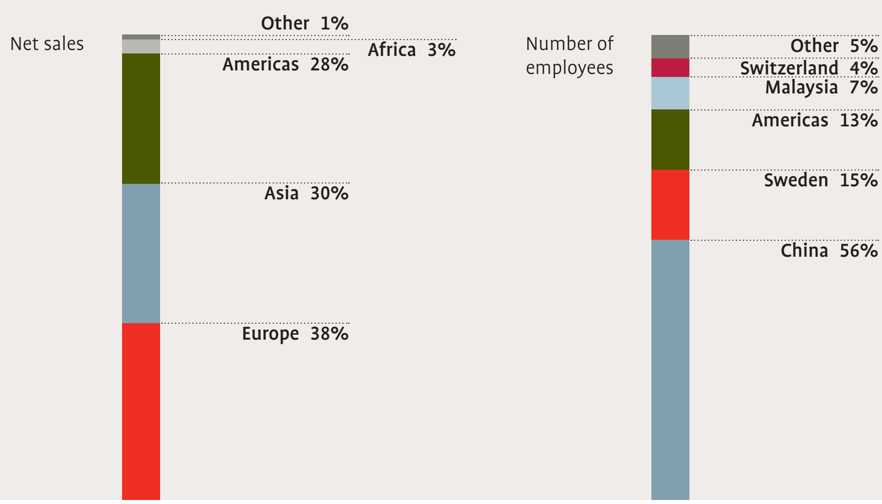
Highlights Overall, the project business for glass-forming and inspection machinery remained at the same level as the previous year. The cooperation with Owens-Illinois made a significant contribution and the division recorded a significant increase of 12% in sales. Operating profit margin reached only 3.9%. The transfer of production and insourcing of components, along with the attendant cost savings, had to be delayed by twelve months. In addition, the division had to absorb specific write-downs on accounts receivables and high start-up costs of the strategic realignment project and the cooperation with Owens-Illinois. The division accounted for 14% of Group sales (2013: 13%).

Key figures

CHF million			change in	
	2014	**2013**	**%**	**%[1]**
Order intake	367.0	354.1	3.6	4.8
Net sales	389.2	346.6	12.3	13.5
Order book	95.1	118.7	−19.9	−19.0
Operating profit (EBITDA)	27.6	28.5	−3.2	
As % of net sales	7.1%	8.2%		
Operating profit (EBIT)	15.2	16.7	−9.0	
As % of net sales	3.9%	4.8%		
Number of employees at 31 December	1 890	1 864	1.4	
Average number of employees during year	1 894	1 913	−1.0	

[1] Adjusted for currency effects.

Geographical analysis



Market trends The market for glass-forming and inspection machinery remained stable overall, despite marked regional differences. In Northern Europe as well as Central and South America, investment activity was at a very high level; in the Middle East, Southern Europe and North America it remained stable. In the Asia/Pacific region, by contrast, there was hardly any investment activity, and in Eastern Europe none at all. In China, too, investment in glass production lines remained very subdued. Although new investment stagnated, the service and spare parts business performed well.

Business performance Bucher Emhart Glass recorded a significant increase in sales, despite stagnating demand in the project business. The spare parts and service business developed particularly well because glass container manufacturers increasingly invested in the maintenance of existing plants. The cooperation with Owens-Illinois (O-I) also had a positive impact on sales for the first time. Order intake exceeded the previous year's level for the same reason. However, operating profit was disappointingly below the previous year's figure. This was for a number of reasons: the transfer of production and insourcing of components was delayed for a year because custom projects were prioritised over internal implementation projects. As a result, the required margin on the related spare parts business, in particular for parts from the cooperation partner, O-I, was lacking. There were also specific write-downs on accounts receivables as well as higher start-up costs for the two projects relating to the strategic realignment and cooperation with Owens-Illinois.

Cooperation with Owens-Illinois In the reporting year, the cooperation between O-I and Bucher Emhart Glass developed very well. The division completed further stages in the implementation of its plan to supply all 77 O-I production sites worldwide with glass forming machines and spare parts. As part of the plan, Bucher Emhart Glass was entrusted with the supply of around 30 000 different parts and components to O-I. Owing to delays in the integration of O-I parts and components in its own production programme, the division had to source parts from third-party suppliers for longer than planned. This circumstance had a significant adverse effect on the operating profit margin. O-I introduced a long-term programme for sustainable improvement of its production facilities. This programme will ensure a continuous and significant increase in the presence of Bucher Emhart Glass technology in the machinery installed at O-I plants, which will have a further positive effect on the development of business in the coming years.

Delayed realignment Bucher Emhart Glass took further steps in its strategic realignment aimed at leveraging the division's global presence. The production capacity for glass container forming machines in Europe and the USA was adjusted and the renovation of the assembly plant in Sundsvall, Sweden, completed. In a parallel move, the division forged ahead with capacity expansion and step-by-step recruitment of new employees in Malaysia. At the same time, the division is ensuring the transfer of essential know-how from Sweden to

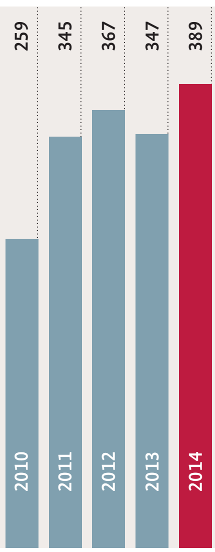
Malaysia. Optimisation of the processes was started in the middle of the reporting year; it will be completed together with the newly formed international purchasing organisation during 2015. Both moves will make a significant contribution to increasing the division's efficiency and profitability and will become fully effective in 2016. This represents a delay of about twelve months on the original planning.

Tempered glass In the previous year, Bucher Emhart Glass installed a pilot plant developed by the division for tempering glass containers at the Vetropack factory in Pöchlarn, Austria, in order to test the production of thermally tempered glass containers in an industrial environment. In the reporting year, in close collaboration with Vetropack, the production process and the quality of the glass containers produced were subjected to numerous tests and validated. The behaviour of the tempered glass containers when tested in a wide range of filling processes was of particular interest. The findings will underpin the suitability of this first lightweight returnable bottle for limited testing in the market. Normal original bottles currently weigh around 300 g, while their thermally tempered, lightweight counterparts weigh in at only 200 g. The market launch of these first tempered glass containers is planned for the second half of 2015.

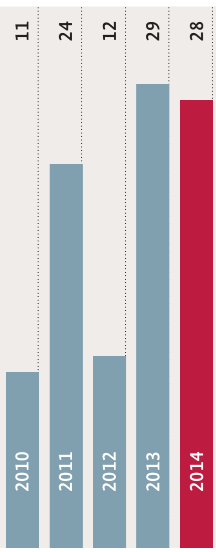
Modular inspection machinery In the course of the reporting year, Bucher Emhart Glass made numerous significant improvements to the inspection machinery of the FleXinspect product family. At the world's largest trade fair for the glass industry, Glasstec in Düsseldorf, Germany, the new concept was received with keen interest by customers. The division's FleXinspect portfolio features a complete range of inspection machinery, widely used in glassworks today. The machines are modular in construction and easy to extend. A key advantage of this product family is the low cost incurred when changing over to other forms of glass containers.

BIS enters a new servo-electric dimension In the reporting year, the division installed a third machine in the newly developed series of servo-electrically driven BIS glass-forming machines for a customer in Germany. The first two such machines were installed at a customer's plant in South Africa in 2013. After the successful operation of the two BIS machines and their presentation for the first time at the Glasstec 2014 trade fair in Düsseldorf, Germany, the market launch attracted a large audience. The BIS glass-forming machine features simplified operation, high production speeds and productivity as well as an enhanced security concept. A particular advantage for customers is the reusability of a large number of existing moulds currently installed in the customer's machine park.

Net sales
CHF million



Operating
profit (EBITDA)
CHF million



Outlook for 2015 Demand for glass-forming machinery should be on a par with that of the previous year. This is the division's expectation in regard to the regional distribution and volume of new business. Even stronger growth in Central and South America will present opportunities. On the other hand, Europe, the Middle East and Asia might continue to stagnate or even see further decline. The division therefore anticipates that sales in local currencies will be on a par with the previous year. The targeted improvement in profitability is based on the division's own measures such as implementation of the transfer of production and insourcing of components. Moreover, the start-up costs for the realignment and special value adjustments, which had to be recognised the previous year, are no longer applicable. The new exchange rate as per the end of February 2015 will have a marked adverse effect on these prospects. The division therefore expects sales to fall at a single-digit rate, while the impact on profitability is likely to be minimal. On the way to achieving the target margin of 9% in 2016, the operating profit margin should see a clear increase during the current business year.

Division management

Martin Jetter,
Division president

Mike Curry,
Inspection business

Matthias Kümmerle,
Technology

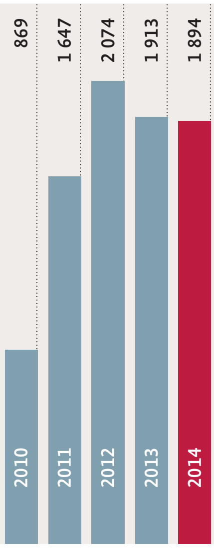
Edward Munz,
Logistics and manufacturing

Werner Gessner,
Sales and marketing, after-sales service

Reto Semadeni,
Finance and controlling

At 5 March 2015

Average number of employees during year



Bucher Specials

Enjoyment throughout the year

Bucher Specials combines world-class technologies for producing wine and fruit juice, beer and instant products. The short harvest time provides large quantities of grapes and other fruit for processing. Our equipment helps deal with this glut effortlessly, gently and meeting the highest standards of hygiene. Our machinery filters out undesirable substances, balances the natural sweetness and acidity of beverages and thus makes wine and fruit juice something you can enjoy the whole year round.

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 Bucher Specials benefited from a positive market environment in the reporting year as a whole and succeeded in significantly increasing order intake and sales, especially as a result of the consolidation of Jetter Automation Technology. The operating profit margin was 8.9%. The business segments with machinery and equipment for wine, fruit juice and beer production profited from the impetus in their markets. By contrast, the Swiss distributorship for tractors and agricultural machinery was unable to escape the full effects of the downturn in the agricultural sector. The business with automation solutions improved, as was expected. The division accounted for 11% of Group sales (2013: 8%).

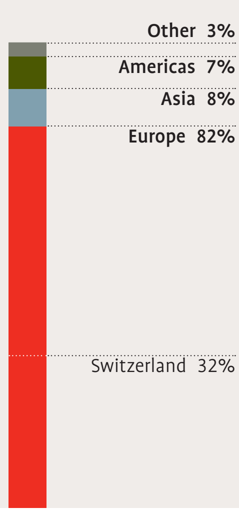
Key Figures

CHF million			change in		
	2014	2013	%	%[1]	%[2]
Order intake	299.3	257.1	16.4	17.1	−0.5
Net sales	304.5	244.0	24.8	25.6	8.0
Order book	72.9	76.2	−4.3	−3.9	−3.9
Operating profit (EBITDA)	34.7	29.1	19.2		
As % of net sales	11.4%	11.9%			
Operating profit (EBIT)	27.1	24.4	11.1		
As % of net sales	8.9%	10.0%			
Number of employees at 31 December	793	785	1.0		1.0
Average number of employees during year	840	631	33.1		33.1

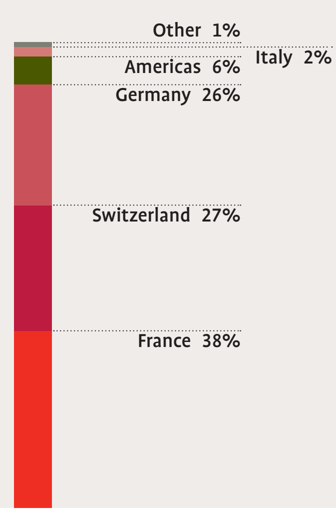
[1] Adjusted for currency effects.
[2] Adjusted for currency and acquisition effects.

Geographical analysis

Net sales



Number of employees



Market trends Performance varied in the different markets served by Bucher Specials during the reporting year, but was pleasing overall. The market for winemaking equipment staged a notable recovery overall, particularly in the northern hemisphere. Many fruit juice processing plants in Europe underwent modernisation or expansion, despite the falling prices for apple juice concentrate. The business with equipment for beer production profited in particular from increasing beer consumption in China. On the Swiss market there was a noticeable falling off in the demand for tractors and agricultural machinery. The business with industrial and mobile automation systems remained stable on the whole.

Business performance In this positive market environment Bucher Specials substantially increased order intake and sales. One of the factors contributing to this success was the full-year consolidation of Jetter Automation Technology. There was a pleasing increase in operating profit although the operating profit margin fell slightly. Bolstered by subsidy programmes, winemakers particularly in France, but also in Spain and Italy, once again increased their investment in winemaking equipment. Thanks to its outstanding market presence, Bucher Vaslin was able to make the most of the momentum in its sector. The business with machinery for fruit juice processing of Bucher Unipektin benefited from the need among fruit juice manufacturers to invest in overdue modernisation projects. Major orders for beer filtration equipment were also successfully completed. However, the Swiss distributorship for tractors and agricultural machinery was faced with falling demand in the agricultural sector. Despite a slight fall in sales Bucher Landtechnik held its ground well. Jetter's business with automation solutions remained stable, passing breakeven point as planned thanks to the imposition of a comprehensive range of measures.

Bucher Vaslin

Positive market environment With a positive mood in the market, in France especially but also in the USA, there was brisk demand for winemaking equipment, particularly for Bucher Vaslin's high-tech grape presses. Winemakers invested both in new production equipment and in the modernisation of existing plant to improve wine quality. This was of benefit to the spare parts and service business.

Further development of the Inertys grape press The launch of the upgraded Interys press technology reinforced the brand identity of Bucher Vaslin as an innovative company and a leader in technological advancement. The press, which operates using inert gas, can now also be used for red wine. The patented process significantly reduces the wine's oxygen content, improving its natural aroma.

Bucher Unipektin

Business performance There was an increase in demand for Bucher Unipektin's equipment for processing apple juice concentrate and for beer filtration systems during the reporting year. The crisis in Ukraine had a very detrimental effect on business in the region, with significant numbers of orders being cancelled and projects postponed. Nevertheless, there was a substantial increase in sales despite this effect.

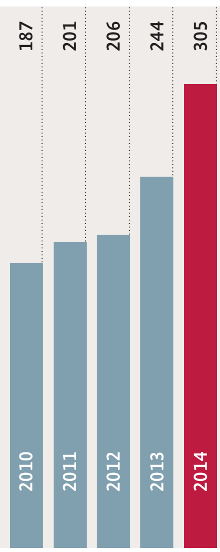
Product innovation Bucher Unipektin expanded its offering in the beverages production and environmental technology segment during the reporting year. The product portfolio for fruit juice processing equipment was enhanced by the successful launch of the C25 grinding mill. The first installation anywhere in the world of a fruit juice evaporator with three-stage mechanical vapour recompression demonstrates that Bucher Unipektin is willing and able to meet the market's call for production equipment with improved energy efficiency. In the beer filtration business, the proven CERINOX filtration plant for beer recovery was relaunched with cross-flow filtration and ceramic membranes for filtration without kieselguhr. With its compact design, the system allows high-capacity filtration in small spaces. The concept also has the advantage that the membranes are very inexpensive to replace, the plant is extremely reliable and the system dispenses with the need for subsequent safety filtration. The same design concept is also being used for must filtration, with great success. The environmental technologies business saw the launch of a new mobile dewatering plant for solid/liquid sludge separation. The 3-m³ press (HPS3007) demonstrates the high performance of Bucher's dewatering technology in municipal and industrial sewage plants throughout Europe – quick, efficient and on an industrial scale. In addition, various technical improvements were introduced to the firm's sludge presses.

Bucher Landtechnik

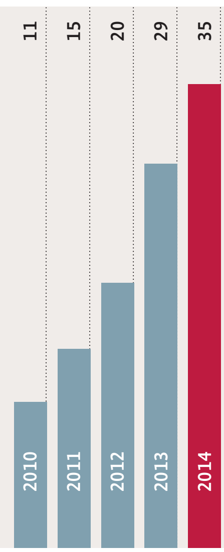
Slowdown on the Swiss market The general slow-down in the agricultural sector and uncertainty about the domestic and international economies made themselves felt in the reporting year. The trend was exacerbated by the Swiss government's new agricultural policy, which increased the insecurity felt by farmers. The Swiss distributorship for tractors and agricultural machinery was unable to escape the effects of this situation. Despite its excellent market position, the business suffered a moderate fall in sales, especially of tractors.

Technical expertise The Agrama 2014 trade fair in Bern was a huge success, attracting over 55 000 visitors. Bucher Landtechnik showcased all the brands it represents – Case IH Steyr, New Holland, Kuhn and Weidemann – on individual stands, providing the opportunity for focused discussions with visitors competent in their fields. This is why Bucher Landtechnik has for many years placed great value on the training and further professional development of its employees. Young employees are given specific funding to complete degree courses or further professional development at universities and colleges.

Net sales
CHF million



Operating
profit (EBITDA)
CHF million



Every year, sales and service staff are given training about new products in courses held by suppliers over a period of several days. On over 100 days of every year, Bucher Landtechnik trains and supports its retailers with regard to new developments affecting the sales department, technology and the workshop. The high levels of training guarantee that farmers receive competent and professional advice as well as service which is swift and of impeccable quality.

Jetter

Stable market for industrial and mobile automation Jetter's largest market segment, industrial automation, remained stable overall in the reporting year. Demand for mobile applications was at the same level as the previous year. Sales with Bucher Group companies amounted to 50%.

Improvement in profitability Jetter specifically targeted an improvement in profitability in the reporting year, introducing a range of measures aimed at reducing costs. In addition, the company revised its product strategy and defined a clear focus on specific customer segments. The small distribution company in the USA was sold off in order to simplify the legal structure. With the extensive range of measures already proving effective, Jetter was able to conclude the reporting year with stable sales and an operating profit. At the end of December, the Bucher Group held around 96% of the shares in Jetter. It is intended that a squeeze-out of the remaining shareholders will be effected in the current business year.

Outlook for 2015 The division anticipates that the business performance in local currencies will be stable. While Jetter's automation technology is expected to show continued growth, the Swiss distributorship for tractors and agricultural machinery anticipates a fall in sales due to price reductions in the market. In the business with equipment for wine and fruit juice production, demand should remain at a high level. With the exchange rates pertaining at the end of February 2015, the division is expecting sales to fall at a double-digit rate. The operating profit margin is likely to decrease significantly due to one-off devaluation effects on balance sheets items.

Division management

Stefan Düring,
Division president

Bruno Estienne,
Bucher Vaslin

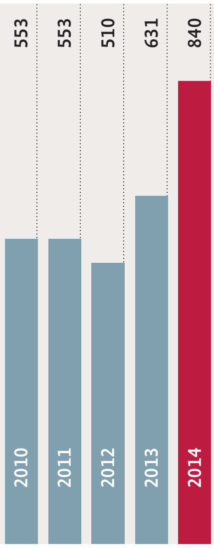
Hartmut Haverland,
Bucher Unipektin

Jürg Minger,
Bucher Landtechnik

Christian Benz,
Jetter

At 5 March 2015

Average number of employees during year



Group management

Stefan Düring
Bucher Specials

Martin Jetter
Bucher Emhart Glass

Daniel Waller
Bucher Hydraulics

Michael Häusermann
Bucher Municipal

Philip Mosimann
Chief Executive Officer

Thierry Krier
Kuhn Group

Roger Baillod
Chief Financial Officer

Corporate Governance

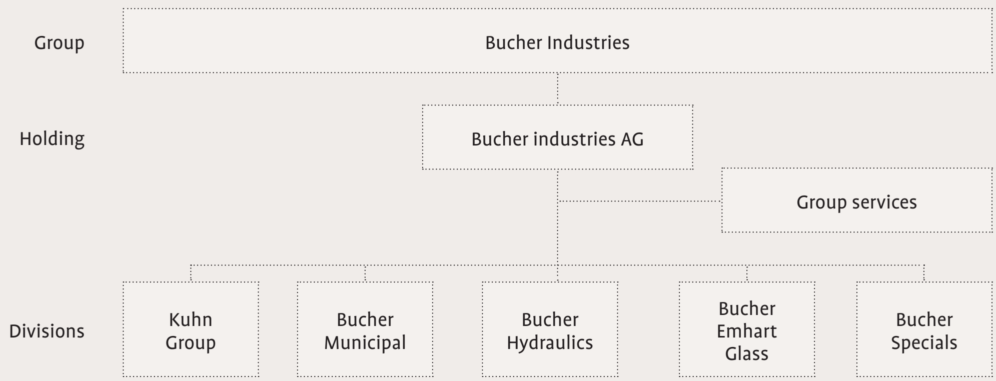
This report complies with the SIX Swiss Exchange Corporate Governance Directive, which came into force on 1 October 2014 and was effective as of 31 December 2014, where applicable to Bucher Industries. Unless otherwise stated, the information presented reflects the situation on 31 December 2014.

Group structure and shareholders

Operational group structure At 1 January 2015: 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 117 to 119 of this annual report. None of the companies is listed on a stock exchange. Jetter AG in Ludwigsburg, Germany, was delisted in the reporting year.

Shareholders 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 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 and disclosure notifications submitted to the SIX Swiss Exchange platform on 5 July 2011, Black Rock Inc., 40 East 52nd Street, New York, 10022, USA, holds, directly or indirectly via various subsidiaries, a stake in the registered share capital of Bucher Industries AG of more than 3%. This and earlier notifications



can be viewed via the following link: www.six-swiss-exchange.com/shares/companies/major_shareholders_en.html?fromDate=199801018. 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.

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

Capital structure

Capital The issued share capital of Bucher Industries AG now stands at CHF 2 050 000, divided into 10 250 000 registered shares with a par value of CHF 0.20 each. 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 Until 26 June 2012, the issued share capital of Bucher Industries AG was CHF 2 113 180. The capital reduction by CHF 63 180, approved by the annual general meeting on 12 April 2012, was duly carried out on 27 June 2012 by means of the cancellation of 315 900 shares, corresponding to 2.99% of the share capital. The share capital of Bucher Industries AG now stands at CHF 2 050 000. Apart from that, 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 pages 106 to 107 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 ‣ Since 2011 Prografica AG, Glattbrugg, chairman of the board ‣ Since 2009 Chromos AG, Glattbrugg, chairman of the board ‣ 1995 Prografica AG, executive director and chief executive officer ‣ 1985 Chromos AG, Glattbrugg, managing director ‣ 1972 Chromos AG, Glattbrugg ‣ No other appointments or commitments.

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, 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 ‣ Since 1998 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 Mikron AG, Biel, and member of the board of 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 ‣ Since 2011 chairman of the board and co-owner, Burckhardt Compression Holding AG, Winterthur ‣ 2000 Burckhardt Compression AG, Winterthur, CEO und 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 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 10 April 2014 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. The terms 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 on page 45 of this annual report 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 at http://www.bucherindustries.com/html/en/6621.html. 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 if which was held as a conference call. All the meetings in the reporting year were attended by all board members, the CEO and the CFO.

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	×	
Valentin Vogt	1960		2014		

All directors are non-executive and independent.

Committees To assist with its responsibilities, the board of directors has an audit committee and a compensation committee appointed from among its members. The roles and responsibilities of the audit and compensation committees are described below and are published in the condensed version of the rules of organisation on the company's website at http:// www. bucherindustries.com/html/en/node/6621.html. 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.

Audit committee On 10 April 2014, the composition of the audit committee was confirmed by the board of directors as follows: Ernst Bärtschi, chairman, Michael Hauser and Heinrich Spoerry. All of its members are non-executive and independent. The audit committee holds at least three meetings a year, each usually lasting 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. Three meetings were held in the reporting year. With the exception of one meeting when one member was excused, all members of the audit committee as well as the CEO and CFO were present at all meetings. In the reporting year, the meetings focused on the following scheduled duties: refinancing of the bond issue and the consolidation of all Swiss pension schemes in a single pension plan. 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 valuation of intangible assets, revenue recognition and management control procedures. The external auditors focused on in-depth assessment of internal controls in the areas of financial closing, reporting and sales. The external auditors attended two meetings of the compensation 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. Responsibility for coordinating and implementing 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. In the year under review, two meetings took place with the internal auditors.

Compensation committee Information about the remuneration committee is shown in the remuneration report, see pages 52 and 53 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 Industries website at http://www.bucherindustries.com/html/en/6621.html. The board oversees the operational management.

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 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 tree occasions. The board of directors is also supported in its supervisory and control function by internal audit and the external auditors.

Group management

Philip Mosimann **1954**, Swiss citizen, master degree in mechanical engineering (dipl. Ing.) from Swiss Federal Institute of Technology (ETH) Zurich; since **2002** 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.

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.

Michael Häusermann **1960**, Swiss citizen, graduate of Business School, Zurich; since **2000** Bucher Municipal, division president ▸ **1988** Bucher-Guyer AG, head of Bucher Transport Technology, Rolba Kommunaltechnik AG and Bucher-Guyer AG Municipal Vehicles ▸ **1983** Kran + Hydraulik AG, Tagelswangen ▸ 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, School of Agriculture, Dijon; 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.

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

Vanessa Ölz 1953, Swiss citizen, degree in law (lic. iur.) from University of Zurich; since 2002 Bucher Industries AG, Head of legal and communications, secretary to the board ‣ 1997 Sulzer Medica, Winterthur, secretary to the board ‣ 1989 Sulzer AG, Winterthur, 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.

Number of admissible activities (external appointments) 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.

Remuneration, shareholdings and loans

These disclosures are presented in the remuneration report on pages 56 to 58 of this annual report.

Shareholders’ participation rights

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 10 April 2014 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 8 April 2014 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 1 859 400 by PricewaterhouseCoopers and approximately CHF 508 800 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 933 420 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 in accordance with GRI principles and based on data covering 2012 and 2013.

These publications are made available at the appropriate time on the company's website at http://www.bucherindustries.com/en/node/6622 and the invitation to the annual meeting of shareholders at http://www.bucherindustries.com/en/node/6636.

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 8 of this annual report. All news releases published over the past two years can be found at http://www.bucherindustries.com/en/media_messages_page and http://www.bucherindustries.com/en/download_center/publication, the contact address at http://www.bucherindustries.com/en/contact. 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.

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 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 SWX Swiss Exchange and Bucher Industries AG's articles of association.

Remuneration policy and remuneration system 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 remuneration of directors has been subject to approval by the annual general meeting of shareholders. The individual components of the remuneration system 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 top 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.

Responsibility The compensation committee comprises members of the board of directors. They are elected by the annual general meeting. The duties and responsibilities of the compensation committee are described below as well as on Bucher Industries' website under http://www.bucherindustries.com/en/node/6621 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.

The remuneration package for members of group management did not change and is structured as follows:

	fix remuneration	variable remuneration					
	base salary	cash bonus		BEPP in shares		BPP in shares	
		target [1]	range	target [1]	range	target [1]	range
CEO	100%	50%	0–75%	50%	0–75%	10%	0–15%
Other members	100%	30%	0–45%	10%	0–15%	10%	0–15%

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

Election and term of office The annual general meeting of 10 April 2014 elected Rolf Broglie, Claude Cornaz and Anita Hauser to the compensation committee until the next annual general meeting. The board of directors nominated Rolf Broglie 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 system, 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, as well as the annual financial targets for the variable performance-related remuneration for group management and takes note of the remuneration of 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 submitted by members of general management, in accordance with art. 29 of Bucher Industries' articles of association. Upon unanimous approval of such proposals, the committee recommends to the board of directors approval of the mandates. The compensation committee also presents the board of directors with proposal for medium- and long-term personnel 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 shall meet at least once a year. Meetings generally last for several hours. The CEO shall attend the meetings in an advisory capacity, except when his own remuneration is being determined. The compensation committee held ten meetings in the reporting year. At the meetings, the focus was on the search for a new CEO to take over at the time of the 2016 annual general meeting. Further tasks were dealing with a review of the remuneration of the members of group management, succession planning for senior management, recommendations to the board for changes to the articles of association relating to the introduction of VegüV as well as the regular duties described above.

Directors' remuneration Directors receive non-performance-related remuneration, which is proposed by the compensation 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.

Remuneration of group management The contractual remuneration components for group management and senior management comprise a fixed base salary and variable performance-related remuneration paid both in cash and in shares under the Bucher share plans. 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 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. Variable remuneration is paid following the retrospective approval by the annual general meeting in the following spring. The remuneration of directors and group management is reported on an accrual basis.

Base salary 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.

Cash bonus The cash bonus is a performance-related component of remuneration paid to the members of group management and the Group's senior management. 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:
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 Executive Share Plan The Bucher Executive Share Plan (BEPP) is a share-based, performance-related component of remuneration for the members of group management. The annual target for the award of 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 using the average share price for the reporting year. Upon full target achievement, the applicable percentage is 50% of base salary for the CEO and 10% for the other group management members. 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.

Bucher Share Plan The 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. Group management and the employees may elect at the beginning of February of the year following the reporting year to invest an amount equivalent to between 0% and a maximum of 10% of their base salary in the company's shares. If they choose to make an investment, it will be supplemented by the company. The amount of the company's investment depends on the achievement of the Group's annual financial "earnings per share" target set by the board of directors. Upon full target achievement, the company matches the employees' investments in company shares. The level of target achievement ranges from 0 to a maximum of 1.5 times the sum invested by the employee. The relevant number of shares is calculated using the average share price during the first three weeks of January in the financial year following the reporting year. The number of shares representing the employees' and company's investments is restricted for three years. Share options granted in respect of previous reporting years remain valid as originally provided and are shown in the table on page 58 of this annual report.

Termination benefits There are no systems for termination benefits, and none were paid during the reporting year. If employment is terminated for any reason other than termination by the employee or employer, the variable annual remuneration and awards under the Bucher Executive 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 Plans will lapse. 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.

Responsibility The human resources committee prepares the Group's remuneration policy for directors and group management members. It makes recommendations to the board for the annual remuneration of directors and the CEO, as well as the annual financial targets for the variable performance-related remuneration components for group management and senior management, determines the remuneration of the other group management members and takes note of the remuneration of division management members and specialists. In the reporting year, the human resources committee held three meetings, which focused on reviewing the remuneration of the members of group management, succession planning for senior management and the regular duties described above. Specialist management consultants with international experience were engaged to determine the remuneration benchmarks.

Directors' remuneration in the reporting year 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 respective share awards were granted and valued at the average share price for the reporting period of CHF 268.95 (2013: CHF 226.00). The shares awarded are subject to a three-year vesting period. The cash allowances paid to directors for service on committees and expenses remained unchanged during the year, as did the chairman's base salary. The remuneration paid to directors in the reporting year and their interests in shares at the end of the year are shown on pages 56 and 58 of this annual report.

Group management's remuneration in the reporting year Group management members receive a base salary commensurate with their responsibilities and experience, a performance-related cash bonus and shares under the Bucher share plans. 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.

Fixed remuneration The base salary of the CEO has remained unchanged since 2010, that of other group management members was increased in line with general rises customary in the country as well as on the basis of contractually agreed increases for new members of group management.

Variable remuneration The number of shares granted under the Bucher Executive Share Plan was calculated using the average share price for the year of CHF 268.95 (2013: CHF 226.00), and the number granted under the Bucher Share Plan (BPP) using the average share price during the first three weeks of January 2015 of CHF 235.80 (CHF 266.00). All shares awarded under the Bucher share plans were valued at a price of CHF 235.80 (CHF 266.00). In the reporting year, the level of target achievement for the performance-related cash bonus was between 75% and 110% and the level of target achievement for the Bucher share plans was 104% (124%). The level of target achievement in percentage terms was in most cases below that of the previous year when the Group achieved the highest profitability in its history. The number of shares awarded to the CEO and the other members of group management under the Bucher Executive Share Plan as a consequence of the 19% (2013: 30%) higher share price and the lower target achievement was 24% lower than the previous year's level. In the case of the Bucher Share Plan, the share price was 11% down on the previous year as a result of the fall in exchange rates following the Swiss National Bank's decision to discontinue the minimum euro rate; this, coupled with lower target achievement, led to a decrease in the share awards by 10%. In keeping with the 11% fall in the share price, which affected the valuation of the allocated shares, the cash value of all the shares awarded under the Bucher share plans was 29% lower than the previous year. Accordingly, the overall remuneration of the CEO decreased compared with the previous year by 16%. Together with the remuneration for the new head of Kuhn Group, as an additional member of group management for three months following the change of leadership at Kuhn Group, the overall remuneration for the other members of group management decreased by 2%. The total remuneration 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 2014 are set out on pages 106 and 107 of this annual report.

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.

Remuneration, loans and credits to directors and members of group management

The following pages 56 to 57 are subject to examination by the auditors.

Directors' remuneration

CHF 1 000	Base salary	Share awards		Social security and pension benefits	Other remuneration	Total	Paid in cash
		Number	Value				
							2014
Rolf Broglie, chairman	225.0	279	75.0	24.1	14.0	**338.1**	239.0
Anita Hauser, deputy chairman	52.5	196	52.5	11.6	12.0	**128.6**	64.5
Ernst Bärtschi	45.0	168	45.0	10.1	12.0	**112.1**	57.0
Claude R. Cornaz	45.0	168	45.0	10.1	12.0	**112.1**	57.0
Michael Hauser	45.0	168	45.0	10.1	12.0	**112.1**	57.0
Heinrich Spoerry	45.0	168	45.0	10.1	12.0	**112.1**	57.0
Valentin Vogt[1)]	34.5	129	34.5	7.0	–	**76.0**	34.5
Directors	**492.0**	**1 276**	**342.0**	**83.1**	**74.0**	**991.1**	**566.0**
							2013
Rolf Broglie, chairman	225.0	332	75.0	24.1	14.0	**338.1**	239.0
Anita Hauser, deputy chairman	52.5	233	52.5	11.6	12.0	**128.6**	64.5
Ernst Bärtschi	45.0	200	45.0	10.1	12.0	**112.1**	57.0
Claude R. Cornaz	45.0	200	45.0	10.1	12.0	**112.1**	57.0
Michael Hauser	45.0	200	45.0	10.1	12.0	**112.1**	57.0
Heinrich Spoerry	45.0	200	45.0	10.1	12.0	**112.1**	57.0
Directors	**457.5**	**1 365**	**307.5**	**76.1**	**74.0**	**915.1**	**531.5**

1) From 10 April 2014

Directors' share awards were classified as directors' fees. Share awards and their valuation were calculated using the average share price for the year of CHF 268.95 (2013: CHF 226.00). Other remuneration included expenses and fees for service on the board committees.

Group management remuneration

CHF 1 000	Base salary	Cash bonus	Share awards under share plans BEPP Number	BPP Number	Value	Social security and pension benefits	Other remu-neration	Total	Paid in cash
									2014
Philip Mosimann, CEO	860.0	438.6	1 663	380	481.7	328.7	19.2	**2 128.2**	1 317.8
Other members	2 927.0	890.4	1 611	1 056	628.8	928.8	45.0	**5 420.0**	3 862.4
Group management	**3 787.0**	**1 329.0**	**3 274**	**1 436**	**1 110.5**	**1 257.5**	**64.2**	**7 548.2**	**5 180.2**
									2013
Philip Mosimann, CEO	860.0	494.5	2 360	401	734.4	439.1	19.2	**2 547.2**	1 373.7
Other members	2 718.4	906.1	1 958	1 192	837.9	1 017.5	30.0	**5 509.9**	3 654.5
Group management	**3 578.4**	**1 400.6**	**4 318**	**1 593**	**1 572.3**	**1 456.6**	**49.2**	**8 057.1**	**5 028.2**

The shares awarded to group management members for the reporting year are based on the Bucher share plans. The shares awarded represent a fixed percentage of base salary and the level of target achievement during the year. The number of shares awarded under the Bucher Executive Share Plan (BEPP) was calculated using the average share price for the year of CHF 268.95 (2013: CHF 226.00), and those under the Bucher Share Plan (BPP) using a share price of CHF 235.80 (CHF 266.00), representing the average share price during the first three weeks of January 2015. All shares awarded were valued at CHF 235.80 (CHF 266.00).

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 2014.

Directors' and group management members' interests in shares

Directors' interests in shares

	Number of shares	
	2014	**2013**
Rolf Broglie, chairman	13 776	13 444
Anita Hauser, deputy chairman	439 315	439 082
Ernst Bärtschi	719	2 628
Claude R. Cornaz	5 698	5 498
Michael Hauser	604 468	604 268
Heinrich Spoerry	3 086	3 036
Valentin Vogt	1 050	170
Directors	**1 068 112**	**1 068 126**

The directors did not hold any share options on 31 December 2014.

Group management's interests in shares and share options

		Anzahl Aktien		Anzahl Optionen	
		2014	**2013**	**2014**	**2013**
Philip Mosimann	CEO	61 508	55 642	–	10 800
Roger Baillod	CFO	8 938	11 135	4 200	5 400
Stefan Düring	Bucher Specials	1 048	849	1 200	3 300
Michael Häusermann	Bucher Municipal	7 505	6 894	1 800	5 400
Martin Jetter	Bucher Emhart Glass	2 050	2 121	1 200	3 000
Thierry Krier	Kuhn Group	749	1 989	–	4 100
Daniel Waller	Bucher Hydraulics	9 066	7 116	10 030	11 400
Konzernleitung		**90 864**	**85 746**	**18 430**	**43 400**

		Number of options					
Grant year		**2009**	**2008**	**2007**	**2006**	**2005**	**Total**
Exercise price (CHF)		115.00	149.00	221.00	116.00	108.00	
Roger Baillod	CFO	2 400	1 800	–	–	–	**4 200**
Stefan Düring	Bucher Specials	1 200	–	–	–	–	**1 200**
Michael Häusermann	Bucher Municipal	600	1 200	–	–	–	**1 800**
Martin Jetter	Bucher Emhart Glass	–	–	1 200	–	–	**1 200**
Daniel Waller	Bucher Hydraulics	2 400	2 400	2 400	2 400	430	**10 030**
Group management		**6 600**	**5 400**	**3 600**	**2 400**	**430**	**18 430**

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 56 to 57) of Bucher Industries AG for the year ended 31 December 2014.

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 2014 complies with Swiss law and articles 14 – 16 of the Ordinance.

PricewaterhouseCoopers AG

Christian Kessler	Ralf Zwick
Audit expert	Audit expert
Auditor in charge	

Zürich, 27 February 2015

Financial contents

Group financial review 2014

Business performance Order intake was 0.9% up on the previous year at CHF 2 742.1 million. Adjusted for currency, acquisition and disposal effects, the Group recorded a slight decline of 0.4%. Net sales rose by 4.3% to CHF 2 805.6 million, equivalent to a 2.7% rise after adjustment for currency, acquisition and disposal effects. The net acquisition and disposal effect was 3.1%. The currency effect on sales amounted to 1.5%. With the exception of the Kuhn Group division, all the Group's divisions contributed to the growth trend. Kuhn Group reported a 1.9% drop in sales, primarily due to the declining agricultural markets. World market prices for soy, maize and wheat continued to fall, which had a negative impact on demand in the arable sector. Although demand in the markets served by Bucher Municipal stagnated, the division held its ground, partly thanks to a follow-up order from the city of Moscow, and recorded an increase in sales. The hydraulic components business developed well, particularly in the construction machinery, conveyor technology and industrial hydraulics segments. Thanks to the broad range of applications and long-term serial orders, Bucher Hydraulics succeeded in keeping the effects of the general downturn in the key agricultural machinery segment within bounds. The market for glass-forming and inspection machinery remained stable overall during the reporting year, despite marked regional differences. In China, investment in new glass production machinery remained very subdued. While demand in the project business stagnated, glass container manufacturers increasingly invested in the maintenance of existing plants, which resulted in strong growth for the spare parts and service business. The cooperation with Owens-Illinois also had a positive effect. As a result of these positive developments, Bucher Emhart Glass reported a marked increase in sales. The growth in order intake and sales at Bucher Specials was attributable mainly to the full-year consolidation of Jetter Automation Technology. The division also benfitted from the very good performance of the business with winemaking equipment as well as equipment and technologies for producing fruit juice and beer. The Swiss distributorship for tractors and agricultural machinery was unable to escape entirely the effects of the downturn in the agricultural machinery market. The Group's order book maintained a good level at CHF 788.9 million, which was CHF 61.5 million or 7.2% lower than the high level of the previous year. Adjusted for currency, acquisition and disposal effects, the decrease was 6.4%. The Group's order backlog at the end of the reporting year was equivalent to about 3.4 months' work based on full-year sales in 2014 (2013: 3.8 months). Compared with the previous year, the changes in the Swiss franc exchange rates were as follows: EUR down 1.1%, USD down 0.6%, GBP up 4.1%, SEK down 5.9%, BRL down 9.2% and AUD down 7.8%.

Net sales

CHF million	2014	2013	change in %
Net sales	2 805.6	2 690.8	4.3%
Net sales adjusted for currencies	2 846.4	2 690.8	5.8%
Net sales adjusted for acquisitions and disposals	2 727.7	2 688.5	1.5%
Net sales adjusted for currencies, acquisitions and disposals	2 761.6	2 688.5	2.7%

Operating performance Although the operating performance, with an EBIT margin of 9.2%, remained 1.5 percentage points down on the outstanding record level of the previous year, it continued the trend of steadily improving profitability, unbroken since the year 2010. The lower margin was partly due to the anticipated decline in agricultural machinery and the delayed effect of the measures relating to the realignment of the Bucher Emhart Glass division. Operating profit fell by 10.4% to CHF 257.2 million. Group EBITDA fell by 5.7% to CHF 349.8 million, corresponding to an EBITDA margin of 12.5% (2013: 13.8%). Other operating expenses amounted to 13.0% (13.2%) of sales. Thanks once more to the deployment of temporary staff, it was possible to adapt employment costs flexibly to the level of capacity utilisation. In relation to sales, employment costs amounted to 24.9% (24.3%).

Acquisitions At the end of March 2014, Bucher Industries acquired a 100% equity holding in Montana Indústria de Máquinas, Brazil (Kuhn-Montana), on behalf of the Kuhn Group division. The company has a strong presence in Mato Grosso, particularly, but also in other Brazilian states, with holdings in large agricultural enterprises. It has a strong market position in the big self-propelled crop-sprayer and fertiliser spreader segments. The acquisition of Kuhn-Montana represents an complement to the existing product portfolio of Kuhn Group in Brazil, giving it access to customers in the important and growing segment of large agricultural enterprises. The purchase price was CHF 65.6 million and comprises a cash component as well as deferred and contingent consideration. In the reporting year, Bucher Industries increased its holding in Jetter AG from 77.4% to 96.0%. The increase in the equity holding led to an outflow of funds amounting to CHF 5.1 million. The company was delisted from the Frankfurt Xetra exchange on 30 April 2014.

Bond issues In the reporting year, Bucher Industries issued two new bonds in Switzerland as well as in Brazil, totalling to CHF 200.0 million, respectively CHF 48.5 million (BRL 130.0 million). In Switzerland, two bonds each of CHF 100.0 million were issued, with terms of six and ten years and coupons of 0.625% and 1.375% respectively, enabling the Group to secure long-term refinancing of an existing bond of CHF 200.0 million, which was due for repayment on 2 October 2014. Issuing these two bonds enabled the Group to secure favourable market conditions and lengthen the average maturity of its financial liabilities. As part of the financing of Kuhn-Montana two local bonds totalling CHF 48.5 million (BRL 130.0 million) were issued. The interest is charged on the basis of the local interest index (CETIP) as well as the agreed loan margin.

Net financial items

CHF million

	2014	2013
Interest expense on financial liabilities	– 18.2	– 16.7
Interest income on financial assets	3.0	4.5
Net interest expense	**– 15.2**	**– 12.2**
Net gain on financial instruments	2.7	6.7
Financial foreign exchange gains and losses	0.4	– 6.9
Share of profit/(loss) of associates	1.5	2.0
Other financial items	– 2.6	– 1.0
Net financial items	**– 13.2**	**– 11.4**

Net financial items Net financial items amounted to negative CHF 13.2 million, against negative CHF 11.4 million a year earlier. Net interest expense increased by CHF 3.0 million to negative CHF 15.2 million. The increase is essentially attributable to the local financing of Kuhn-Montana, but was partly offset by the improved credit conditions and the further reduction of bank loans. The beneficial effect of the refinancing of the existing Swiss bond will not be felt completely until the current business year. The net gain on financial instruments was CHF 2.7 million, CHF 4.0 million below the previous year's figure, which was affected by gains realised on the sale of bonds. The changes in the fair value of financial instruments recognised in the fair value reserve in equity increased by CHF 0.6 million to CHF 3.7 million. Foreign exchange gains and losses improved from a loss of CHF 6.9 million the previous year to a gain of CHF 0.4 million. Net financial items included foreign exchange gains and losses on financial transactions, whereas foreign exchange losses of CHF 3.0 million (2013: foreign exchange losses of CHF 9.6 million) were recognised in operating profit (EBIT). The Group's share of profit of associates amounted to CHF 1.5 million (CHF 2.0 million).

Tax rate and profit for the year Income tax expense fell by CHF 25.2 million to CHF 54.3 million (2013: CHF 79.5 million). The decrease is partly attributable to the lower pre-tax result, falling profits in countries with higher average tax rates as well as non-recurring effects. Amongst other factors, participation in an arbitration procedure in Brazil (the "REFIS" programme) resolved differences of opinion that had persisted over many years. As a consequence, the effective tax rate was 22.3%, well below the previous year's figure of 28.8%. Group profit for the year reached CHF 189.7 million, a decrease of 3.3% against the record level attained the previous year. The return on sales was 6.8% (7.3%). Based on a slightly lower profit for the year and the slightly higher average number of outstanding shares compared with the previous year, earnings per share sunk by 5.4% to CHF 18.58 (CHF 19.64).

Financial situation Net operating assets amounted to CHF 1325.4 million, against CHF 1080.8 million a year earlier. The 22.6% increase is mainly attributable to acquisitions, investments and advance payments of tax. In addition, the healthy business tendency in the second half of the year led to an increase in receivables and inventories. At the end of the year, net operating assets as a percentage of net sales were 47.2% (2013: 40.2%). The return on net operating assets (RONOA) after tax was 15.8%, close to the high target of 16% set by the Group. As part of sustainable corporate development, capital expenditure CHF 116.3 million (CHF 136.6 million) exceeded depreciation and amortisation by CHF 23.7 million (CHF 52.6 million). The most important single investments involved expansion projects at Kuhn Group in North America and the Netherlands, as well as the expansion of Bucher Hydraulics in Grand Rapids, USA. Operating free cash flow was CHF 53.7 million (CHF 91.7 million). Taking into account the higher dividend compared with the previous year of CHF 67.7 million (CHF 51.6 million), the negative free cash flow generated amounted to CHF 66.1 million (positive free cash flow CHF 61.5 million). The decrease is due to lower operational cash flow, higher expenses in connection with acquisitions and lower revenues from the sale of financial instruments and treasury shares. Net liquidity was negative CHF 85.0 million (negative CHF 0.1 million). The decrease in net debt by CHF 136.7 million since 30 June 2014 was mainly due to seasonal factors.

Return on net operating assets (RONOA) after tax

CHF million

	2014	2013
Trade receivables	478.5	437.5
Inventories	668.7	632.9
Property, plant and equipment	634.8	569.7
Intangible assets	252.9	181.5
Other operating receivables	91.0	55.6
Trade payables	−263.6	−261.2
Advances from customers	−198.7	−190.4
Provisions	−77.7	−71.5
Other operating liabilities	−260.5	−273.3
Net operating assets (NOA)	**1325.4**	**1080.8**
Net operating assets (NOA), average	1268.0	1061.3
Operating profit (EBIT)	**257.2**	**287.1**
Return on net operating assets (RONOA), after tax	**15.8%**	**19.3%**

Cash flow/free cash flow

CHF million

	2014	2013
Net cash flow from operating activities	**163.0**	**223.5**
Purchases of property, plant and equipment	– 112.1	– 132.6
Proceeds from sale of property, plant and equipment	7.0	4.8
Purchases of intangible assets	– 4.2	– 4.0
Operating free cash flow	**53.7**	**91.7**
Purchases of short-term investments and financial assets	– 1.0	– 2.9
Proceeds from sale of short-term investments and financial assets	3.7	30.5
Acquisition	– 62.7	– 54.9
Disposal	–	4.8
Acquisition of non-controlling interests	– 5.1	–
Purchases of treasury shares	– 2.8	–
Proceeds from sale of treasury shares	15.4	43.6
Dividend received	0.4	0.3
Dividend paid	– 67.7	– 51.6
Free cash flow	**– 66.1**	**61.5**

At the end of 2014, intangible assets amounted to CHF 252.9 million (2013: CHF 181.5 million). The increase is due primarily to the acquisitions made. Goodwill rose to CHF 133.3 million (CHF 80.3 million) because of the acquisition effect and the conversion rates applied. The annual impairment tests of intangible assets were based on the cash flow projections of the individual cash-generating units. Based on the ongoing assessment of the outlook for the years ahead, the impairment test did not indicate any need for an impairment charge. The ratio of intangible assets to equity was 21.0% (16.9%), while that of goodwill to equity was 11.1% (7.5%).

Equity increased by CHF 127.5 million to CHF 1 201.6 million at 31 December 2014. The profit for the year of CHF 189.7 million was mainly countered by increased dividends of CHF 67.7 million (2013: CHF 51.6 million). The equity ratio rose by 2.0 percentage points to 46.1% (44.1%) and the return on equity was 16.7% (20.0%). At the end of the year, the Group had cash and cash equivalents and short-term investments of CHF 369.2 million and financial liabilities of CHF 454.2 million. A total of CHF 285.0 million was available in unused committed credit facilities.

Employee numbers The number of employees rose by 5.8% year on year to 11 554 full-time equivalents at the reporting date. The average for the year was 7.8% higher than the previous year. Adjusted for the effects of acquisitions and disposals the increase at year-end was 1.2%. Thanks to the deployment of temporary staff, it was possible to adapt employment numbers with a high degree of flexibility to seasonal fluctuations and local economic trends. Group sales increased by 4.3%, while net sales per employee were CHF 241 000, below the previous year's figure (CHF 250 000). Adjusted for currencies, acquisitions and disposals, net sales per employee was at CHF 246 000.

Selected financial data

CHF million	2014	2013
Net tangible worth (equity less goodwill)	1 068.3	993.8
Gearing ratio (net debt to equity)	7.1%	–
Return on equity (ROE)	16.7%	20.0%
Interest coverage ratio (EBITDA to net interest expense)	23.0	30.5
Debt payback period (net debt to EBITDA)	0.2	–

Shareholder value In a generally positive stock market, the performance of Bucher's share price compared to the SPI showed a slightly weaker development in the reporting year. The year-end price was CHF 248.90 (2013: CHF 259.00). The 52-week high was CHF 314.30, with a 52-week low of CHF 218.20. The company's market capitalisation reached CHF 2.6 billion at the year-end, representing a price/book ratio of 2.2. Earnings per share were CHF 18.58, against CHF 19.64 a year earlier.

Dividend In view of the virtually unchanged Group profit for the year in 2014 as well as a consistent dividend policy, the board of directors is proposing that the annual general meeting on 14 April 2015 approve payment of a dividend of CHF 6.50 per registered share, equivalent to last year's payment. Based on the average share price of CHF 269.00 for 2014, the board's proposal represents a dividend yield of 2.4% (2013: 2.9%).

Discontinuation of the minimum euro rate In mid-January 2015, the Swiss National Bank discontinued the minimum euro rate of CHF 1.20, which led to a massive appreciation of the Swiss franc against the Group's principal trading currencies. In view of the internationalisation of the Group's business over many years – with less than 10% of the workforce now employed in Switzerland – the exchange-rate shock mainly affects currency translation of sales and results. In addition, profitability at the production plants in Switzerland will come under pressure, which is why corrective action has been taken. With the exchange rates pertaining at the end of February 2015, on Group level the negative currency effects on sales in Swiss francs will be over 10% and on operating profit around 15%, also due to one-off devaluation effects on balance sheet items. The operating profit margin should be around 0.5 percentage points down on the previous year's level because of currency effects.

Consolidated balance sheet at 31 December 2014

CHF million	Note	31 December 2014	31 December 2013
Cash and cash equivalents		337.8	423.1
Short-term investments	3	31.4	32.6
Trade receivables	4	478.5	437.5
Current income tax assets		30.8	10.4
Other receivables	4	56.5	50.6
Inventories	5	668.7	632.9
Current assets		**1 603.7**	**1 587.1**
Long-term receivables	4	5.6	3.3
Property, plant and equipment	6	634.8	569.7
Intangible assets	7	252.9	181.5
Other financial assets	8	31.4	33.0
Investments in associates	9	12.3	11.5
Deferred income tax assets	20	63.8	50.2
Non-current assets		**1 000.8**	**849.2**
Assets		**2 604.5**	**2 436.3**
Financial liabilities	10	106.1	283.4
Trade payables		263.6	261.2
Advances from customers		198.7	190.4
Provisions	11	61.5	60.3
Other liabilities	13	220.5	214.3
Current income tax liabilities		23.5	49.5
Current liabilities		**873.9**	**1 059.1**
Financial liabilities	10	348.1	172.4
Provisions	11	16.2	11.2
Other liabilities	13	24.8	12.6
Deferred income tax liabilities	20	57.2	54.5
Retirement benefit obligations	21	82.7	52.4
Non-current liabilities		**529.0**	**303.1**
Attributable to owners of Bucher Industries AG		1 159.8	1 030.2
Attributable to non-controlling interests		41.8	43.9
Equity		**1 201.6**	**1 074.1**
Liabilities and equity		**2 604.5**	**2 436.3**

Consolidated income statement for the year ended 31 December 2014

CHF million	Note	2014	%	2013	%
Net sales	**1**	**2 805.6**	**100.0**	**2 690.8**	**100.0**
Changes in inventories of finished goods and work in progress		3.9		22.1	
Raw materials and consumables used		− 1 422.1		− 1 361.9	
Employment costs	15	− 698.9		− 652.9	
Other operating income	16	26.7		28.2	
Other operating expenses	17	− 365.4		− 355.2	
Operating profit before depreciation and amortisation (EBITDA)		**349.8**	**12.5**	**371.1**	**13.8**
Depreciation	6	− 70.9		− 66.7	
Amortisation	7	− 21.7		− 17.3	
Operating profit (EBIT)		**257.2**	**9.2**	**287.1**	**10.7**
Share of profit/(loss) of associates	19	1.5		2.0	
Finance costs	19	− 20.9		− 18.1	
Finance income	19	6.2		4.7	
Profit before tax		**244.0**	**8.7**	**275.7**	**10.2**
Income tax expense	20	− 54.3		− 79.5	
Profit/(loss) for the year		**189.7**	**6.8**	**196.2**	**7.3**
Attributable to owners of Bucher Industries AG		187.4		194.5	
Attributable to non-controlling interests		2.3		1.7	
Basic earnings per share in CHF	14	18.58		19.64	
Diluted earnings per share in CHF	14	18.50		19.53	

Consolidated statement of comprehensive income for the year ended 31 December 2014

CHF million

	2014	2013
Profit/(loss) for the year	**189.7**	**196.2**
Change in actuarial gains/(losses) on defined benefit pension plans	−31.4	3.3
Income tax	7.3	−1.1
Change in actuarial gains/(losses) on defined benefit pension plans, net of tax	**−24.1**	**2.2**
Items that will not be transferred subsequently to income statement	**−24.1**	**2.2**
Change in fair value reserve	0.9	1.8
Transfer to income statement	–	−6.5
Income tax	−0.3	1.2
Change in fair value reserve, net of tax	**0.6**	**−3.5**
Change in cash flow hedge reserve	−9.9	4.0
Transfer to income statement	4.1	−5.5
Income tax	0.9	0.7
Change in cash flow hedge reserve, net of tax	**−4.9**	**−0.8**
Change in currency translation reserve	25.0	−9.5
Transfer to income statement	−0.1	1.6
Change in currency translation reserve	**24.9**	**−7.9**
Items that may be transferred subsequently to income statement	**20.6**	**−12.2**
Other comprehensive income	**−3.5**	**−10.0**
Comprehensive income	**186.2**	**186.2**
Attributable to owners of Bucher Industries AG	182.2	184.3
Attributable to non-controlling interests	4.0	1.9

Consolidated cash flow statement for the year ended 31 December 2014

CHF million	Note	2014	2013
Profit/(loss) for the year		**189.7**	**196.2**
Income tax expense	20	54.3	79.5
Net interest expense	19	15.2	12.2
Share of profit/(loss) of associates	19	−1.5	−2.0
Depreciation and amortisation	6, 7	92.6	84.0
Other operating cash flow items		3.1	3.4
Gain on sale of non-current assets and subsidiaries	16	−2.3	−7.5
Gain on sale of short-term investments and financial assets		–	−6.5
Interest received		2.8	4.0
Interest paid		−19.8	−15.0
Income tax paid		−100.7	−63.9
Change in provisions and retirement benefit obligations		−10.9	1.2
Change in receivables		−26.2	−12.2
Change in inventories		−12.4	−38.6
Change in advances from customers		10.2	−25.3
Change in payables		−19.5	27.0
Other changes in working capital		−11.6	−13.0
Net cash flow from operating activities		**163.0**	**223.5**
Purchases of property, plant and equipment	6	−112.1	−132.6
Proceeds from sale of property, plant and equipment		7.0	4.8
Purchases of intangible assets	7	−4.2	−4.0
Purchases of short-term investments and financial assets		−1.0	−2.9
Proceeds from sale of short-term investments and financial assets		3.7	30.5
Acquisition	2	−62.7	−54.9
Disposal	2	–	4.8
Dividend received	9	0.4	0.3
Net cash flow from investing activities		**−168.9**	**−154.0**
Purchases of treasury shares	14	−2.8	–
Proceeds from sale of treasury shares		15.4	43.6
Proceeds from non-current financial liabilities		242.3	54.0
Repayment of non-current financial liabilities		−1.8	−5.6
Proceeds from current financial liabilities		115.5	79.7
Repayment of current financial liabilities		−371.6	−191.7
Acquisition of non-controlling interests	2	−5.1	–
Dividend paid		−67.7	−51.6
Net cash flow from financing activities		**−75.8**	**−71.6**
Effect of exchange rate changes		−3.6	0.6
Net change in cash and cash equivalents		**−85.3**	**−1.5**
Cash and cash equivalents at 1 January		423.1	424.6
Cash and cash equivalents at 31 December		**337.8**	**423.1**

Consolidated statement of changes in equity for the year ended 31 December 2014

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 2013	**2.1**	**1 127.5**	**– 21.2**	**– 262.0**	**6.6**	**1.9**	**854.9**	**35.4**	**890.3**
Profit/(loss) for the year		194.5					194.5	1.7	**196.2**
Other comprehensive income		2.2		– 8.1	– 3.5	– 0.8	– 10.2	0.2	**– 10.0**
Comprehensive income		**196.7**		**– 8.1**	**– 3.5**	**– 0.8**	**184.3**	**1.9**	**186.2**
Change in treasury shares		26.5	7.4				33.9		**33.9**
Share-based payments		6.5	3.4				9.9		**9.9**
Change in non-controlling interests		– 3.2					– 3.2	8.6	**5.4**
Dividend		– 49.6					– 49.6	– 2.0	**– 51.6**
Balance at 31 December 2013	**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**

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 Bucher Industries Group comprises five specialised divisions. The Group's operations are organised as follows: specialised agricultural machinery (Kuhn Group); municipal vehicles (Bucher Municipal); hydraulic components (Bucher Hydraulics); manufacturing equipment for the glass container industry (Bucher Emhart Glass); systems and technologies for the production of wine, fruit juice, instant products and beer, as well as for dewatering sewage sludge, a Swiss distributorship for tractors and specialised agricultural machinery, and control systems for automation technology (Bucher Specials).

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 2014 had no significant impact on the consolidated financial statement presented here. Published standards or interpretations that will only come into effect for the financial years from 1 January 2015 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 2017	2017
Revised standards			
Var.	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 consolidated financial statement.

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. More information about the areas described below is disclosed in the notes to the consolidated financial statements.

Impairment of assets Goodwill is tested for impairment at least annually, while other assets are reviewed for impairment whenever there is an indication that they may be impaired. To determine whether assets are impaired, various assumptions and estimates of future cash flows expected from their use and eventual disposal are made and discounted. Group management bases its assessments on past performance and on estimated future performance for at least the next three years based on its expectations of market development. The discount rate used is a pre-tax interest rate that reflects specific risks relating to the individual operating segments. Actual cash flows may differ from those expected. Any impairment losses are recognised as an expense in the income statement. The carrying amount of goodwill and details of the valuation parameters and sensitivity analyses used are set out in note 7.

Provisions Provisions are formed for a number of events where it is probable that an outflow of resources will be required. The provision for warranty claims is measured on the basis of historical data for the last two years, which are applied to current sales and weighted by warranty period. Management estimates the other provisions realistically based on information currently available. However, actual cash outflows and their timing may differ significantly depending on the outcome of events. The carrying amounts of provisions are set out in note 11.

Income tax expense Assumptions and estimates are required to determine the amount of current and deferred income tax assets and liabilities. Deferred tax assets are recognised for temporary differences and for tax losses carried forward to the extent that the realisation of the related tax benefit is probable. Their measurement is based on forecasts by the entities concerned and on assessments of tax legislation and regulations. If these forecasts and assessments prove to be incorrect, then impairment may result. More details are given in note 20.

Pension plans Most of the pension plans operated by the Group are of the defined contribution type, but defined benefit plans are provided in some countries. 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. The assumptions are reviewed at the end of each year based on observable market data. If any of these factors differs from the underlying assumptions, this may have a significant impact on the amount of benefit obligations and assets of the pension plans. More details are given in note 21.

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. Each of the segments is distinct from the others, providing different products and services for different customer groups. 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". 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. Changes in fair value are recorded in the income statement. 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 in the balance sheet 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. 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. 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. The Group has determined the following useful lives:

	Years
Office machinery, computer equipment, vehicles	2 – 7
Temporary structures	5 – 10
Plant and machinery	5 – 12
Furniture, fixtures and equipment	5 – 15
Infrastructure	10 – 30
Buildings	15 – 50

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. Intangible assets that are subject to amortisation are reviewed for impairment only when there is an indication that the carrying amount may not be recoverable. Impairment losses are recognised directly through the income statement. 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

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. 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. 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 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 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 defined contribution pension plans as well as past service costs and benefit entitlements arising from changes in the plans are charged directly to the income statement. In application of IAS 19, employer contribution reserves and assets of voluntary employer-sponsored funds are recognised as assets. 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 2010, the share-based payment schemes were replaced by new share plans. Share options granted in earlier years under the previous share option plans remain valid. More information is given in note 22.

Bucher Executive Share Plan The Bucher Executive Share Plan is a share-based, performance-related component of remuneration for the members of group management. The shares awarded are calculated using the average share price for the reporting year. The shares awarded are valued using the average share price during the first three weeks of January in the financial year following the reporting year. The costs are recognised in the income statement on an accrual basis.

Bucher Share Plan The Bucher Share Plan is a share-based, performance-related component of remuneration for the members of group management, division management and selected specialists. The shares awarded are calculated and valued using the average share price during the first three weeks of January in the financial year following the reporting year. The costs are recognised in the income statement on an accrual basis.

Share option plans In 2009 (last award), share options were valued using the so-called Enhanced American model (EA model). Employment costs associated with the outstanding share options are recognised pro rata over the periods to vesting.

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. 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 specialised divisions in related areas of mechanical and vehicle engineering. 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. The following summary describes the operations of each of the reportable segments:

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 advanced hydraulic systems. The wide range of products includes pumps, motors, valves, power units, cylinders, 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 equipment for winemaking (Bucher Vaslin), equipment and technologies for processing fruit juice, instant products and beer, as well as for dewatering sewage sludge (Bucher Unipektin), a Swiss distributorship for tractors and specialised agricultural machinery (Bucher Landtechnik), and control systems for automation technology (Jetter).

Net sales and assets by region

CHF million	Net sales		Property, plant and equipment and intangible assets	
	2014	**2013**	**2014**	**2013**
Switzerland	126.8	131.0	105.3	105.8
Germany	411.8	377.2	91.0	101.5
France	374.3	439.5	140.1	137.3
Rest of Europe	789.8	721.3	185.0	175.0
North America	568.6	532.1	150.4	124.0
Central and South America	175.7	100.0	118.3	17.9
Asia	220.2	237.4	83.0	75.9
Other	138.4	152.3	14.6	13.8
Total	**2 805.6**	**2 690.8**	**887.7**	**751.2**

Net sales have been allocated to the countries of destination.

Segment information

CHF million	Net sales		Depreciation		Amortisation		Operating profit (EBIT)	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Kuhn Group	1 261.9	1 285.8	30.3	28.3	12.5	10.2	152.7	191.2
Bucher Municipal	418.7	383.2	7.0	6.2	0.7	0.8	32.2	33.1
Bucher Hydraulics	475.4	453.3	17.6	17.0	2.3	2.2	48.5	42.4
Bucher Emhart Glass	389.2	346.6	10.0	9.8	2.4	2.0	15.2	16.7
Bucher Specials	304.5	244.0	3.8	2.5	3.8	2.1	27.1	24.4
Reportable segments	**2 849.7**	**2 712.9**	**68.7**	**63.8**	**21.7**	**17.3**	**275.7**	**307.8**
Other/consolidation	– 44.1	– 22.1	2.2	2.9	–	–	– 18.5	– 20.7
Group	**2 805.6**	**2 690.8**	**70.9**	**66.7**	**21.7**	**17.3**	**257.2**	**287.1**

CHF million	Capital expenditure		Goodwill		Operating assets		Operating liabilities	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Kuhn Group	65.9	60.2	77.7	28.8	977.4	763.4	478.6	454.0
Bucher Municipal	9.8	22.5	5.9	4.9	247.0	241.6	97.6	95.5
Bucher Hydraulics	20.2	31.1	4.5	4.6	315.6	315.7	59.1	58.5
Bucher Emhart Glass	10.8	14.0	23.2	21.8	385.6	352.3	105.9	110.3
Bucher Specials	3.9	4.6	4.3	4.3	166.8	173.1	70.7	71.0
Reportable segments	**110.6**	**132.4**	**115.6**	**64.4**	**2 092.4**	**1 846.1**	**811.9**	**789.3**
Other/consolidation	5.7	4.2	17.7	15.9	33.5	31.1	– 11.4	7.1
Group	**116.3**	**136.6**	**133.3**	**80.3**	**2 125.9**	**1 877.2**	**800.5**	**796.4**

The performance of each of the divisions is evaluated based on operating profit or loss, which is measured consistently for management reporting and in the consolidated financial statements. 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 11.9 million (2013: CHF 12.7 million) for Kuhn Group, CHF 4.3 million (CHF 4.3 million) for Bucher Hydraulics and CHF 27.8 million (CHF 4.8 million) for Bucher Specials. The other divisions had only marginal intersegment sales.

Operating assets include short- and long-term 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

	2014	2013
Segment operating profit (EBIT)	275.7	307.8
Other/consolidation	– 18.5	– 20.7
Group operating profit (EBIT)	**257.2**	**287.1**
Share of profit/(loss) of associates	1.5	2.0
Finance costs	– 20.9	– 18.1
Finance income	6.2	4.7
Profit before tax	**244.0**	**275.7**

Reconciliation of segment assets

CHF million

	2014	2013
Segment operating assets	**2 092.4**	**1 846.1**
Other/consolidation	33.5	31.1
Group operating assets	**2 125.9**	**1 877.2**
Cash and cash equivalents and short-term investments	369.2	455.7
Other financial assets	31.4	33.0
Other assets	1.9	8.7
Investments in associates	12.3	11.5
Deferred income tax assets	63.8	50.2
Group assets	**2 604.5**	**2 436.3**

Reconciliation of segment liabilities

CHF million

	2014	2013
Segment operating liabilities	**811.9**	**789.3**
Other/consolidation	– 11.4	7.1
Group operating liabilities	**800.5**	**796.4**
Current financial liabilities	106.1	283.4
Non-current financial liabilities	348.1	172.4
Other payables	8.3	3.1
Deferred income tax liabilities	57.2	54.5
Retirement benefit obligations	82.7	52.4
Group liabilities	**1 402.9**	**1 362.2**

2 Acquisitions and disposals

Acquisition Montana Indústria de Máquinas At the end of March 2014, Bucher Industries acquired a 100% equity holding in Montana Indústria de Máquinas, São José dos Pinhais, near Curitiba, Brazil, on behalf of the Kuhn Group division. The company has a strong presence in Mato Grosso, Brazil, particularly, but also in other states, with holdings in large agricultural enterprises. It has a strong market position in the self-propelled crop-sprayer segment. The acquisition represents an excellent complement to the existing product portfolio of Kuhn Group in Brazil, giving it access to customers in the important and growing segment of large agricultural enterprises. The combination of the current and future product portfolios of Kuhn and Montana makes Kuhn Group an attractive partner for the dealership network. The purchase price was CHF 65.6 million and comprises a cash component of CHF 59.8 million, deferred consideration of CHF 3.5 million, as well as contingent consideration of CHF 2.3 million. To determine the estimated contingent consideration, the expected future payments were discounted at the time of the acquisition. The payments totalling a maximum of CHF 7.7 million will take place over the next three years and are contingent on the annual sales targets being met. The cash and cash equivalents taken over amounted to CHF 4.3 million. The value of receivables acquired reflected their fair value. On the balance sheet date, the process to determine the fair values of identifiable assets, goodwill, liabilities and contingent liabilities was not yet completed. Based on the preliminary purchase price allocations, the goodwill from the acquisition was CHF 48.4 million. This goodwill represents the entry into the markets and the synergy potential from the merger as well as the employees' expertise. Kuhn-Montana has generated sales of CHF 56.3 million and a result of CHF 8.3 million since the date of the acquisition. The result was significantly influenced by positive non-recurring effects arising from the participation in an arbitration procedure in Brazil ("REFIS" programme). If the acquisition would have been completed by 1 Januar 2014, sales would amount to CHF 61.9 million, the profit/loss for the year cannot be estimated with any certainty at present owing to adjustments in the first quarter. The acquisition costs totalling CHF 1.2 million were recognised on an accrual basis in 2013 and 2014 under other operating expenses.

Net assets acquired Kuhn-Montana

CHF million	Fair value
Cash and cash equivalents	4.3
Trade receivables	10.9
Inventories	14.5
Property, plant and equipment	23.5
Intangible assets	34.1
Deferred income tax assets	11.6
Current financial liabilities	−15.8
Trade payables	−12.5
Current provisions	−10.0
Current other liabilities	−12.1
Current income tax liabilities	−7.4
Non-current provisions	−6.5
Deferred income tax liabilities	−11.6
Other net assets	−5.8
Net assets	**17.2**
Goodwill	48.4
Total purchase consideration	**65.6**

Other acquisitions At the end of September 2014, Bucher Industries acquired a 100% equity holding in Rever S.r.l. on behalf of the Bucher Municipal division for a total consideration of CHF 3.4 million. The fair value of net assets acquired was CHF 2.3 million, comprising essentially cash and cash equivalents worth CHF 1.2 million and property, plant and equipment worth CHF 1.1 million.

Net assets and cash flow from acquisitions and disposals

CHF million	Fair value on acquisition	Fair value on acquisition	Disposal
	2014		**2013**
Current assets	36.2	53.9	−0.8
Non-current assets	71.1	63.2	−0.1
Current liabilities	−59.5	−24.5	0.2
Non-current liabilities	−28.3	−24.7	–
Net assets	**19.5**	**67.9**	**−0.7**
Shares previously held	–	−8.4	–
Non-controlling interests	–	−5.4	–
Goodwill	49.5	8.4	–
Gain on disposal	–	–	−4.1
Total purchase consideration	**69.0**	**62.5**	**−4.8**
Cash and cash equivalents	−5.5	−9.0	–
Contingent consideration	−2.3	−1.3	–
Deferred consideration	−3.5	–	–
Contingent consideration relating to previous years	5.0	0.4	–
Deferred consideration relating to previous years	–	2.3	–
Net cash flow on acquisition/disposal	**62.7**	**54.9**	**−4.8**

The contingent considerations relating to previous years arose in connection with the 2011 acquisition of Kuhn Krause. For further information on the conditional purchase price liabilities see note 26.

Acquisition of non-controlling interest Jetter AG Through the purchase of further shares, Bucher Industries' stake increased by 18.6% to 96.0%. The purchase price amounting to CHF 5.1 million was recognised as "acquisition of non-controlling interests" in "net cash flow from financing activities". The increase led to a change in non-controlling interests in the statement of equity in the amount of CHF 4.0 million. The difference between the purchase price and the pro-rata carrying amount of CHF 1.1 million was recognised in retained earnings. The company was delisted from the Frankfurt Xetra exchange as of 30 April 2014.

3 Short-term investments

CHF million	2014	2013
Money market investment	3.4	4.9
Bonds	28.0	27.7
Short-term investments	**31.4**	**32.6**

Changes in fair value recognised in other comprehensive income, net of tax, amounted to CHF 0.6 million (2013: CHF 1.0 million).

4 Receivables

CHF million	Current	Non-current	Total	Current	Non-current	Total
			2014			**2013**
Trade receivables	462.1	0.1	462.2	421.2	1.9	423.1
Notes receivable	12.4	–	12.4	16.3	–	16.3
Finance lease receivables	4.0	4.1	8.1	–	–	–
Trade receivables, net	**478.5**	**4.2**	**482.7**	**437.5**	**1.9**	**439.4**
Other receivables	40.8	1.3	42.1	29.5	1.2	30.7
Prepayments to suppliers	7.5	–	7.5	5.2	–	5.2
Derivative financial instruments	1.8	0.1	1.9	8.5	0.2	8.7
Accrued income	6.4	–	6.4	7.4	–	7.4
Other receivables	**56.5**	**1.4**	**57.9**	**50.6**	**1.4**	**52.0**
Receivables	**535.0**	**5.6**	**540.6**	**488.1**	**3.3**	**491.4**

Ageing analysis of trade receivables

CHF million	2014	2013
Trade receivables, gross	503.8	456.3
Amount provided for	−21.1	−16.9
Receivables, net	**482.7**	**439.4**
Not due	410.0	337.7
Not due, amount provided for	−6.1	−5.5
Past due, within 30 days	40.2	54.3
Past due, from 31 to 90 days	19.5	23.7
Past due, more than 90 days	34.1	40.6
Past due, amount provided for	−15.0	−11.4

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	2014	2013
Balance at 1 January	16.9	16.6
Exchange differences	−0.5	–
Acquisition/disposal of subsidiaries	2.3	0.2
Provision for receivables impairment	5.8	4.3
Unused amounts reversed	−2.9	−2.5
Receivables written-off during the year as uncollectible	−0.5	−1.7
Balance at 31 December	**21.1**	**16.9**

5 Inventories

CHF million	2014	2013
Raw materials and consumables	156.7	138.5
Work in progress	146.5	142.9
Finished goods and goods for resale	365.5	351.5
Inventories	**668.7**	**632.9**
Change of write-downs	11.5	6.7

In the reporting period, CHF 0.1 million was written off directly via the income statement (2013: CHF 0.3 million).

6 Property, plant and equipment

CHF million	Land and buildings	Plant and machinery	Furniture, fixtures and equipment	Prepayments and assets under construction	Total property, plant and equipment
					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**
					2013
Cost at 1 January	459.9	429.1	182.0	39.5	1 110.5
Exchange differences	– 2.1	– 1.5	– 0.7	– 0.2	– 4.5
Acquisition/disposal of subsidiaries	21.6	18.4	16.7	0.9	57.6
Additions	40.2	31.1	20.4	40.9	132.6
Disposals	– 5.1	– 12.6	– 17.1	–	– 34.8
Transfers	42.1	8.2	4.9	– 55.2	–
Cost at 31 December	**556.6**	**472.7**	**206.2**	**25.9**	**1 261.4**
Accumulated depreciation at 1 January	193.0	300.1	139.4	–	632.5
Exchange differences	0.3	– 0.2	– 0.3	–	– 0.2
Acquisition/disposal of subsidiaries	1.8	11.2	13.1	–	26.1
Disposals	– 4.9	– 12.1	– 16.4	–	– 33.4
Depreciation for the year	20.6	31.2	14.9	–	66.7
Accumulated depreciation at 31 December	**210.8**	**330.2**	**150.7**	**–**	**691.7**
Net book value at 31 December	**345.8**	**142.5**	**55.5**	**25.9**	**569.7**

The net book value of assets under finance leases amounted to CHF 24.9 million (2013: CHF 29.7 million). The fire insurance value of the assets amounted to CHF 1 804.2 million (CHF 1 708.8 million), equivalent, as a rule, to its replacement value or value as new.

7 Intangible assets

CHF million	Goodwill	Trademarks	Customer relation	Licences/ Patents	Other	Total intangible asssets
						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**
						2013
Cost at 1 January	168.9	20.6	39.9	172.0	9.3	410.6
Exchange differences	−4.1	−0.2	−0.9	0.3	−0.1	−4.9
Acquisition/disposal of subsidiaries	8.4	6.7	12.7	8.3	12.8	48.9
Additions	–	–	–	3.7	0.3	4.0
Disposals	–	–	–	−0.8	–	−0.8
Cost at 31 December	**173.2**	**27.1**	**51.7**	**183.5**	**22.3**	**457.8**
Accumulated amortisation at 1 January	95.6	12.0	7.2	128.7	7.9	251.3
Exchange differences	−2.7	−0.1	−0.3	−0.2	−0.1	−3.3
Acquisition/disposal of subsidiaries	–	–	–	3.3	8.5	11.8
Disposals	–	–	–	−0.8	–	−0.8
Amortisation for the year	–	2.2	3.2	11.0	0.9	17.3
Impairment charge	–	–	–	–	–	–
Accumulated amortisation at 31 December	**92.9**	**14.1**	**10.1**	**142.0**	**17.2**	**276.3**
Net book value at 31 December	**80.3**	**13.0**	**41.6**	**41.5**	**5.1**	**181.5**

Goodwill is allocated to the cash-generating units that are expected to benefit from the respective business combination. Annually or whenever there is an indication of possible impairment, goodwill is tested for impairment.

Bucher Industries uses the discounted cash flow (DCF) method to assess the recoverability of goodwill, based on value in use. The calculations used projections based on financial budgets approved by management for at least the next three years (2015 – 2017). Cash flows beyond the budget period were determined using a sales growth rate generally based on the current inflation rate in each country. The discount rates were determined based on the Group's weighted cost of capital adjusted to reflect specific country and currency risks. The cost of equity was determined using the capital-asset pricing model (CAPM).

Allocation of goodwill to cash-generating units

CHF million	Growth rates	WACC	Goodwill	Growth rates	WACC	Goodwill
			2014			**2013**
Kuhn North America, Inc., USA	1.7%	9.8%	18.6	1.2%	10.3%	16.7
Kuhn-Geldrop B.V., Netherlands	1.1%	6.6%	8.0	1.6%	7.9%	8.2
Kuhn Krause, Inc., USA	1.7%	9.8%	4.3	1.2%	10.3%	3.9
Kuhn-Montana Indústria de Máquinas S/A, Brazil	6.4%	19.0%	46.8			–
Kuhn Group			**77.7**			**28.8**
Gmeiner GmbH, Germany	0.8%	7.4%	3.2	1.2%	8.5%	3.2
Giletta S.p.A., Italy	0.1%	10.5%	2.7	0.8%	11.5%	1.7
Bucher Municipal			**5.9**			**4.9**
Bucher Hidráulica Ltda., Brazil	6.6%	20.3%	4.5	5.7%	23.5%	4.6
Bucher Hydraulics			**4.5**			**4.6**
Emhart Glass SA, Switzerland	0.4%	7.4%	4.4	0.7%	8.5%	4.5
Shandong Sanjin Glass Machinery Co. Ltd., China	1.6%	9.4%	18.8	3.2%	13.1%	17.3
Bucher Emhart Glass			**23.2**			**21.8**
Bucher Landtechnik AG, Switzerland	1.0%	5.7%	1.2	1.0%	6.3%	1.2
Jetter AG, Germany	0.8%	7.1%	3.1	1.2%	8.5%	3.1
Bucher Specials			**4.3**			**4.3**
Bucher Industries US Inc., USA	1.7%	10.4%	17.7	1.2%	10.9%	15.9
Other			**17.7**			**15.9**
Goodwill			**133.3**			**80.3**

Due to the favourable business performance and the cautiously optimistic outlook, the annual impairment tests of intangible assets, as in the previous year, did not indicate any need for impairment charges on capitalised goodwill for 2014. A reduction in the growth rate of 4.3 percentage points at Kuhn-Montana, Brazil, and 2.6 percentage points at Bucher Idraulica, Brazil, would result in the values in use just covering the carrying amounts. For the other positions, neither an increase of 0.5 percentage points in the weighted cost of capital nor a reduction in the residual value growth rate to 0% would give rise to impairment of a cash-generating unit.

8 Other financial assets

CHF million

	2014	2013
Pension asset	14.9	15.3
Long-term loans	13.8	16.4
Other	2.7	1.3
Other financial assets	**31.4**	**33.0**

As in 2013, employer contribution reserves totalling CHF 13.5 million were capitalised in pension fund assets as a result of applying IAS 19.

9 Investments in associates

CHF million

	2014	2013
Balance at 1 January	11.5	16.1
Exchange differences	−0.3	0.2
Additions	–	–
Disposals	–	−8.4
Share of profit/(loss)	1.5	1.2
Share of other comprehensive income	–	–
Revaluation	–	2.7
Dividends received	−0.4	−0.3
Balance at 31 December	**12.3**	**11.5**

Aggregated financial information – associates

CHF million

	2014	2013
Profit/(loss) for the year	5.5	5.0
Other comprehensive income	–	–
Comprehensive income	**5.5**	**5.0**

10 Financial liabilities

CHF million	2014	2013
Bonds and private placements	267.6	219.7
Other bank borrowings	138.3	182.8
Finance lease liabilities	22.9	28.2
Loans and other financial liabilities	25.4	25.1
Financial liabilities	**454.2**	**455.8**
Current portion	106.1	283.4
Non-current portion	348.1	172.4

Bonds and private placements

CHF million	Term	Currency	Nominal value	Effective interest rate	2014	2013
Private placement, US 4.290%	2003 – 2015	CHF	20.0	4.3%	20.0	20.0
Bond, Switzerland 3.125%	2009 – 2014	CHF	200.0	3.2%	–	199.7
Bond, Switzerland 0.625%	2014 – 2020	CHF	100.0	1.3%	99.4	–
Bond, Switzerland 1.375%	2014 – 2024	CHF	100.0	1.4%	100.0	–
Bond, Brazil, CETIP + margin	2014 – 2015	BRL	50.0	12.9%	18.5	–
Bond, Brazil, CETIP + margin	2014 – 2017	BRL	80.0	13.0%	29.7	–
Bonds and private placements					**267.6**	**219.7**

In the reporting period, Bucher Industries issued two Swiss bonds, each of CHF 100.0 million, with terms of six and ten years and coupons of 0.625% and 1.375% respectively. The two bonds enabled the Group to secure long-term refinancing of the existing bond of CHF 200.0 million, which was due for repayment on 2 October 2014. Issuing the bonds enabled the Group to secure favourable market conditions and lengthen the average maturity of its financial liabilities. In conjunction with the refinancing, interest rate contracts with a contract volume of CHF 75.0 million were entered into the previous year. As a result the effective interest rate increased by 0.7 percentage points to 1.4%. The reserve from hedge accounting, recognised in equity, will be transferred to finance costs over the five-year term to maturity of the contracts. As part of the financing of Kuhn-Montana acquisition two bonds amounting to BRL 50.0 million and BRL 80.0 million, respectively, were issued. The interest is charged on the basis of the local index (CETIP) and the agreed loan margin.

Other bank borrowings contains CHF 85.0 million (2013: CHF 150.0 million) in bilateral loans from committed credit facilities as well as 53.3 million (CHF 32.8 Mio.) from uncommitted credit facilities. The bilateral loans bear interest at rates of between 0.65% and 3.09% and are due for repayment from 2015 to 2018. Undrawn committed credit facilities on 31 December totalled CHF 285.0 million (CHF 265.0 million).

The financial covenants are reviewed every six months. As of the reporting date on 31 December 2014, all the credit conditions had been fulfilled.

11 Provisions

CHF million	Warranties	Legal claims	Other	Total 2014	Total 2013
Balance at 1 January	41.9	12.6	17.0	71.5	71.5
Additional provisions	37.7	6.3	1.7	45.7	41.8
Unused amounts reversed	−3.0	−5.8	−4.7	−13.5	−8.7
Used during year	−34.5	−1.7	−5.5	−41.7	−34.6
Acquisition/disposal of subsidiaries	2.1	12.1	2.3	16.5	1.4
Exchange differences	−0.3	−0.6	0.1	−0.8	0.1
Balance at 31 December	**43.9**	**22.9**	**10.9**	**77.7**	**71.5**
Current portion	42.7	15.3	3.5	61.5	60.3
Non-current portion	1.2	7.6	7.4	16.2	11.2

A provision for product warranties is recognised when the products are sold, based on estimated claims. 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, including environmental protection measures. With the acquisition of Kuhn-Montana, other provisions totalling CHF 2.3 million were taken over. The provisions were fully utilised in connection with participation in an arbitration procedure (the "REFIS" programme) in Brazil.

12 Contingent liabilities and other commitments

Contingent liabilities amounting to CHF 1.2 million (2013: CHF 3.2 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 25.

13 Other payables

CHF million	2014	2013
Accruals and deferred income	145.8	147.9
Social security and pensions	27.8	26.1
Sales and capital tax liabilities	32.9	20.6
Derivative financial instruments	7.7	2.4
Other liabilities	31.1	29.9
Other payables	**245.3**	**226.9**
Current portion	220.5	214.3
Non-current portion	24.8	12.6

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

		2014	2013
Par value	CHF	0.20	0.20
Outstanding shares	number	10 100 550	10 022 093
Treasury shares	number	149 450	227 907
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 shares

CHF million	Number of shares	2014	Number of shares	2013
Balance at 1 January	227 907	10.4	465 073	21.2
Purchases of treasury shares	9 800	2.8	–	–
Sales of treasury shares	– 24 173	– 1.1	– 164 536	– 7.4
Reissued for share-based payment schemes	– 64 084	– 2.9	– 72 630	– 3.4
Balance at 31 December	**149 450**	**9.2**	**227 907**	**10.4**
Reserved for written call options	–		20 000	

Earnings and dividend per share

	2014	2013
Profit/(loss) attributable to owners of Bucher Industries (CHF million)	187.4	194.5
Average number of shares outstanding (undiluted)	10 082 508	9 904 173
Average number of shares outstanding (diluted)	10 129 330	9 957 904
Basic earnings per share (CHF)	18.58	19.64
Diluted earnings per share (CHF)	18.50	19.53
Dividend per registered share (CHF)[1]	6.50	6.50
Total dividend (CHF million)[1]	66.6	66.6

[1] 2014: 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. The inclusion of outstanding share options diluted earnings per share by CHF 0.08 (2013: CHF 0.11).

15 Employment costs

CHF million

	2014	2013
Wages and salaries	498.7	463.4
Share awards	2.9	2.5
Share option plan	–	0.4
Social security costs	90.3	82.0
Defined contribution costs	24.3	26.2
Defined benefit costs	13.8	10.6
Other employment costs	68.9	67.8
Employment costs	**698.9**	**652.9**

The revision of the remuneration package in 2010 resulted in the replacement of the stock option plans by the Bucher share plans. Accordingly, no more options have been awarded since then. The costs of share option plans were recognised as employment costs pro rata over the periods to vesting, based on options granted in previous periods. In October 2013, the periods to vesting expired on the last share options issued. Other employment costs comprise incidental costs of staff recruitment, training and development as well as external staff costs.

16 Other operating income

CHF million

	2014	2013
Own work capitalised	0.6	1.7
Gain on sale of non-current assets and disposals	2.3	7.5
Other income	23.8	19.0
Other operating income	**26.7**	**28.2**

Other operating income comprises revenue from sales of goods and services that are outside the normal course of the Group’s business. The gain on sale of non-current assets and disposals essentially comprises the gain on the sale of the Bucher Municipal division’s plants in Ash Vale and Sittingbourne in Great Britain.

17 Other operating expenses

CHF million

	2014	2013
Energy, maintenance and repairs	108.6	103.4
Charges, taxes, levies and consulting fees	39.5	36.2
Marketing and distribution costs	129.6	121.1
Insurance expenses	7.7	6.8
Operating leasing expenses	12.1	10.5
Miscellaneous operating expenses	67.9	77.2
Other operating expenses	**365.4**	**355.2**

Charges, taxes, levies and consulting fees include CHF 17.9 million (2013: CHF 18.4 million) in capital tax. Other 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 Research and development costs

Research and development costs of CHF 102.4 million (2013: CHF 90.5 million) were charged to the income statement for 2014. In the reporting year, research and development costs of CHF 0.1 million (CHF 0.1 million) were capitalised. Research and development costs mainly comprised 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.

19 Net financial items

CHF million

	2014	2013
Interest expense on financial liabilities	– 18.2	– 16.7
Other finance costs	– 2.7	– 1.4
Finance costs	**– 20.9**	**– 18.1**
Interest income on financial assets	3.0	4.5
Net gain on financial instruments	2.7	6.7
Financial foreign exchange gains and losses	0.4	– 6.9
Other finance income	0.1	0.4
Finance income	**6.2**	**4.7**
Share of profit/(loss) of associates	1.5	2.0
Net financial items	**– 13.2**	**– 11.4**
Of which financial items relating to:		
Financial instruments; at amortised cost	– 20.3	– 26.4
Financial instruments; fair value through profit or loss	5.3	6.5
Financial instruments; available-for-sale	0.3	6.5

In the reporting year, no disposals on the sale of “available-for-sale” securities which would have led to a realisation were effected; consequently there was no transfer from equity to the income statement (2013: CHF 6.5 million). As in the previous year, no borrowing costs were capitalised.

20 Income tax expense

Ordinary income tax comprises tax paid or to be paid on the individual companies’ taxable profits, calculated in accordance with legislation in the various countries. 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.

Current income tax

CHF million	2014	2013
Current income tax	57.6	76.8
Deferred income tax	– 3.3	2.7
Income tax expense	**54.3**	**79.5**
Reconciliation:		
Profit before tax	244.0	275.7
Weighted average tax rate	29.9%	33.2%
Theoretical income tax charge	**73.0**	**91.5**
Utilisation of unrecognised tax loss carryforwards	– 2.3	– 1.2
Reassessment of tax loss carryforwards with tax asset adjustment	1.6	– 0.9
Changes in valuation allowances on losses and on deferred tax assets	3.4	2.2
Expenses not deductible for tax purposes/income not subject to tax	– 5.1	– 3.1
Under/(over) provided in prior years	– 11.8	– 4.9
Other differences	– 4.5	– 4.1
Effective income tax expense	**54.3**	**79.5**
Effective tax rate	22.3%	28.8%

The increase in prior-period tax income is in part due to participation in an arbitration procedure (the “REFIS” programme) in Brazil.

Deferred income tax

CHF million	Assets	Liabilities	Assets	Liabilities
		2014		**2013**
Property, plant and equipment	0.8	26.5	0.6	24.7
Other non-current assets	5.0	37.4	5.0	25.7
Inventories	36.7	6.6	31.6	6.9
Other current assets	3.9	7.2	2.4	12.6
Provisions	8.0	4.8	5.1	5.9
Other liabilities	29.0	3.7	21.7	2.4
Tax loss carryforwards	9.4	–	7.5	–
Deferred income tax assets and liabilities	**92.8**	**86.2**	**73.9**	**78.2**
Offset amounts	– 29.0	– 29.0	– 23.7	– 23.7
Deferred income tax assets	**63.8**		**50.2**	
Deferred income tax liabilities		**57.2**		**54.5**

In the reporting period, current income tax of CHF 1.5 million (2013: CHF 2.7 million) arising from the sale of treasury shares was recognised directly in equity. The tax expenses in other comprehensive amounted to CHF 7.9 million (CHF 0.8 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 balances

CHF million	Assets	Liabilities	Assets	Liabilities
		2014		**2013**
Balance at 1 January	50.2	54.5	44.0	43.9
Charged/credited to income statement	–4.6	–7.9	4.1	6.8
Charged/credited to other comprehensive income	6.8	–1.1	–0.3	–1.1
Acquisition/disposal of subsidiaries	11.6	11.8	2.7	5.0
Exchange differences	–0.2	–0.1	–0.3	–0.1
Balance at 31 December	**63.8**	**57.2**	**50.2**	**54.5**

Tax loss carryforwards

CHF million	**2014**	**2013**
Total tax loss carryforwards	125.9	123.6
Of which recognised in deferred income tax	–34.1	–49.0
Unrecognised tax loss carryforwards	**91.8**	**74.6**
Of which expiring:		
Within 1 year	15.3	–
From 1 to 5 years	32.1	38.5
More than 5 years	22.9	8.6
Available indefinitely for offset	21.5	27.5
Tax effect on unrecognised tax loss carryforwards	13.5	13.1

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which they can be utilised. This also includes deferred tax assets arising from tax loss carryforwards and expected tax credits.

21 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 schemes are those in Switzerland, covering 80% of the retirement benefit obligations and 86% of the plan assets. The employees in Switzerland are not all covered by the same pension scheme. Roughly 45% of them belong to the Bucher-Guyer AG employee pension fund – Angestellten-Pensionskasse der Bucher-Guyer AG (APK) – while the other 55% are covered by various collective foundations. Bucher Industries has set itself the goal of harmonising the pension arrangements within the Group and having all employees covered by a single pension scheme, namely APK Bucher-Guyer AG. The new pension arrangements will become effective as of 1 January 2015. The “international plans” category mainly comprises the plans in North America (6% of the retirement benefit obligations, 5% of the plan assets) and France (6% of the retirement benefit obligations, 6% of the plan assets).

Swiss plans The minimum legal requirements for pension schemes are governed by the Federal Law on Occupational Retirement, Survivors’ and Disability Pension Plans (BVG). Among its stipulations are that pension plans must be managed by independent, legally separate units and must be subject to state supervision. The supreme governing body is the foundation board. It comprises equal numbers of employee and employer representatives. Under the terms of statutory provisions and pension plan regulations, the foundation board is under obligation to act in the interests of the foundation and the beneficiaries. Plan participants are insured against the economic consequences of old age, invalidity and death. Contributions to the pension scheme are funded by employee and employer contributions, the latter bearing 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. Other measures may include adjustment of the pension commitment by means of changes to the conversion rates. The joint liability of employer and employee in contributing to any restructuring measures is specified by the BVG.

The APK has the legal form of a semi-autonomous foundation. The foundation covers all underwriting risks except death and invalidity, which are separately reinsured. 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. It is also responsible for the investment of assets. The investment strategy is reviewed at least once a year by the foundation board, taking account of targets for returns, benefit obligations and the risk capacity of the foundation. Decisions take account of significant market trends and changes in the composition of the plan participants. Responsibility for implementing and monitoring the investment strategy and investment guidelines is delegated to an investment committee. Plan assets are managed as part of a long-term investment strategy by a number of external fund managers.

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.

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
			2014			**2013**
Fair value of plan assets	318.1	50.4	368.5	295.7	41.4	337.1
Present value of funded obligations	–348.2	–65.1	–413.3	–296.9	–53.1	–350.0
Funding surplus/(deficit)	**–30.1**	**–14.7**	**–44.8**	**–1.2**	**–11.7**	**–12.9**
Present value of unfunded obligations	–	–24.4	–24.4	–	–21.1	–21.1
Impact of minimum funding requirement/asset ceiling	–	–	–	–4.6	–	–4.6
Surplus/(deficit)	**–30.1**	**–39.1**	**–69.2**	**–5.8**	**–32.8**	**–38.6**
Other financial assets	13.5	–	13.5	13.5	0.3	13.8
Retirement benefit obligations	–43.6	–39.1	–82.7	–19.3	–33.1	–52.4

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 defined benefit obligations and plan assets
				2014
Balance at 1 January	**337.1**	**−371.1**	**−4.6**	**−38.6**
Current service cost		−8.9		−8.9
Past service cost		−2.8		−2.8
Interest income/(expense)	7.8	−9.2	−0.2	−1.6
Administration expenses, taxes and premium paid	−0.5			−0.5
Defined benefit expense recognised in profit or loss	**7.3**	**−20.9**	**−0.2**	**−13.8**
Return on plan assets (excluding interest based on discount rate)	16.4			16.4
Actuarial gains/(losses) arising from changes in demographic assumptions		6.7		6.7
Actuarial gains/(losses) arising from changes in financial assumptions		−50.1		−50.1
Experience gains/(losses)		−9.2		−9.2
Change in asset ceiling excluding amounts included in interest expenses			4.8	4.8
Defined benefit expense recognised in other comprehensive income	**16.4**	**−52.6**	**4.8**	**−31.4**
Employer contributions	14.2			14.2
Employee contributions	4.6	−4.6		–
Benefits paid	−12.7	13.7		1.0
Plan curtailments/settlements	–	–		–
Acquisition/disposal of subsidiaries	–	–		–
Exchange differences	1.6	−2.2		−0.6
Balance at 31 December	**368.5**	**−437.7**	**–**	**−69.2**

For the 2015 business year, contributions for defined benefit pension plans are expected to total CHF 14.1 million (2013: CHF 11.1 million).

CHF million	Fair value of plan assets	Present value of retirement obligation	Impact of minimum funding requirement/ asset ceiling	Total defined benefit obligations and plan assets
				2013
Balance at 1 January	**309.2**	**–338.9**	**–2.8**	**–32.5**
Current service cost		–9.0		–9.0
Interest income/(expense)	6.2	–7.2	–0.1	–1.1
Administration expenses, taxes and premium paid	–0.5			–0.5
Defined benefit expense recognised in profit or loss	**5.7**	**–16.2**	**–0.1**	**–10.6**
Return on plan assets (excluding interest based on discount rate)	13.8			13.8
Actuarial (gains)/losses arising from changes in demographic assumptions		–19.0		–19.0
Actuarial (gains)/losses arising from changes in financial assumptions		18.2		18.2
Experience gains/(losses)		–8.0		–8.0
Change in asset ceiling excluding amounts included in interest expenses			–1.7	–1.7
Defined benefit expense recognised in other comprehensive income	**13.8**	**–8.8**	**–1.7**	**3.3**
Employer contributions	7.3			7.3
Employee contributions	4.5	–4.5		–
Benefits paid	–9.2	10.2		1.0
Plan curtailments/settlements	–	–0.4		–0.4
Acquisition/disposal of subsidiaries	5.9	–12.6		–6.7
Exchange differences	–0.1	0.1		–
Balance at 31 December	**337.1**	**–371.1**	**–4.6**	**–38.6**

Categories of plan assets

CHF million	Swiss	International	Total	%	Swiss	International	Total	%
				2014				**2013**
Equities	81.6	17.0	98.6	26.7	71.1	14.2	85.3	25.3
Bonds	89.2	4.6	93.8	25.5	82.9	4.5	87.4	25.9
Assurances	66.3	23.7	90.0	24.4	62.0	21.1	83.1	24.7
Property	67.2	0.5	67.7	18.4	60.3	0.5	60.8	18.0
Cash	2.7	4.7	7.4	2.0	3.8	1.0	4.8	1.4
Other financial assets	11.1	–0.1	11.0	3.0	15.6	0.1	15.7	4.7
Plan assets	**318.1**	**50.4**	**368.5**	**100.0**	**295.7**	**41.4**	**337.1**	**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
			2014			2013
Obligation active insured members	241.0	48.7	289.7	200.6	44.1	244.7
Obligation former members with vested benefits	–	21.6	21.6	–	14.5	14.5
Obligation members receiving pensions	112.8	19.2	132.0	97.9	15.5	113.4
Obligation taxes and risk sharing	−5.6	–	−5.6	−1.6	0.1	−1.5
Defined benefit obligations	**348.2**	**89.5**	**437.7**	**296.9**	**74.2**	**371.1**
Term of obligations in years (duration)	16.5	15.4	16.0	16.2	13.4	15.6

Actuarial assumptions

Weighted averages in %	Swiss	International		Swiss	International	
			2014			2013
Discount rate	1.1	2.8	1.5	2.1	3.8	2.4
Future salary increases	1.0	2.1	1.1	1.0	2.4	1.1
Future pension increases	–	1.1	0.2	–	2.2	2.2
Inflation rate	1.0	2.3	1.3	1.0	2.3	1.3

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
			2014			2013
Discount rate						
Increase by 25 basis points	−12.6	−3.7	−16.3	−10.7	−1.7	−12.4
Decrease by 25 basis points	13.5	4.1	17.6	10.9	1.9	12.8
Future salary increases						
Increase by 100 basis points	1.3	0.1	1.4	0.8	0.1	0.9
Decrease by 100 basis points	−1.2	−0.1	−1.3	−0.8	−0.1	−0.9
Life expectancy						
Increase in longevity by one additional year	11.1	1.0	12.1	8.8	1.1	9.9

22 Share-based payments/share option plan

Shares awarded under the Bucher share plans are subject to a vesting period of three years. The costs are recognised in the income statement on an accrual basis, with a corresponding entry in equity. The shares required for awards under the share plans are purchased in the open market and held by Bucher Beteiligungs-Stiftung, a consolidated employee share ownership trust.

Bucher Executive Share Plan The Bucher Executive Share Plan is a share-based, performance-related component of remuneration for the members of group management. The financial targets for awarding shares are set by the board of directors at the beginning of each reporting year based on 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 base salary and on the achievement of the Group's annual financial "earnings per share" target. The number of shares to be awarded is calculated using the average share price for the reporting year and valued at the average share price during the first three weeks of January in the financial year following the reporting year.

Bucher Share Plan The Bucher Share Plan is a share-based, performance-related component of remuneration for the members of group management, division managements and selected specialists. The amount of the company's investment depends on the amount of the personal investments that eligible employees make in the company's shares and on the achievement of the Group's annual financial "earnings per share" target set by the board of directors for the Bucher share plans. The relevant number of shares is calculated and valued using the average share price during the first three weeks of January in the financial year following the reporting year.

Eligible employees were awarded a total of 7 009 shares for the reporting year (2013: 9 494 shares). Shares under the Bucher share plans were valued at a share price of CHF 235.80 (CHF 266.00) and represented a total value of CHF 1.6 million (CHF 2.5 million). The number of shares awarded under the Bucher Executive Share Plan was calculated using a share price of CHF 268.95 (CHF 226.00) and those under the Bucher Share Plan using a share price of CHF 235.80 (CHF 266.00).

Share option plans No share options have been granted since 2010. Share options granted in respect of previous periods remain valid as originally provided. One option entitles the holder to purchase one registered share of Bucher Industries AG. The options are not negotiable and have a life of ten years.

Movements in the number of share options outstanding

	Number of options	Average exercise price in CHF	Number of options	Average exercise price in CHF
		2014		2013
Outstanding at 1 January	142 805	155.7	202 240	148.7
Exercised	– 53 225	170.8	– 59 285	131.9
Expired	–	–	– 150	115.0
Outstanding at 31 December	**89 580**	**146.8**	**142 805**	**155.7**
Exercisable	89 580		142 805	

In October 2013, the vesting periods expired on the last share options issued. Accordingly, no further employment costs have been recognised since then (2013: CHF 0.4 million). The average share price for options exercised was CHF 268.95 (CHF 226.00).

Option expiry dates

	Number of options	Average exercise price in CHF	Number of options	Average exercise price in CHF
		2014		**2013**
Year 2015	7 030	108.0	9 000	108.0
Year 2016	15 300	116.0	17 000	116.0
Year 2017	19 800	221.0	44 405	221.0
Year 2018	23 050	149.0	34 050	149.0
Year 2019	24 400	115.0	38 350	115.0
Outstanding at 31 December	**89 580**	**146.8**	**142 805**	**155.7**

23 Related party transactions

Key management remuneration

CHF million	2014	2013
Salaries	5.7	5.6
Post-employment benefits	1.3	1.5
Share awards	1.5	1.9
Share option plan	–	0.1
Key management remuneration	**8.5**	**9.1**

Salaries include variable remuneration, fees and expense allowances paid in cash. For the reporting year, group management members were awarded 4 710 registered shares with a par value of CHF 0.20 each in Bucher Industries AG (2013: 5 911 registered shares) under the share plans. 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.

Remuneration to former directors and group management members No former directors and group management members or persons connected with them received any remuneration or fees during the year.

Year-end balances with related parties

CHF million	2014	2013
Receivables from pension funds	14.9	15.3
Receivables from associates	–	0.3
Payables to pension funds	2.4	2.9
Payables to associates	1.6	1.3
Payables to other related parties	–	1.1

2014, products worth CHF 42.6 million (2013: CHF 61.7 million) were purchased from associates. The sales generated with associates amounted to CHF 2.1 million (CHF 2.1 million) as in the previous year. Cost of materials with associated companies amounted to CHF 1.4 million (CHF 1.4 million).

In the reporting period, Martin Jetter sold his remaining shares in Jetter AG to Bucher Industries at a price of EUR 7.00 per share and a total value EUR 2.2 million (CHF 2.6 million). Further information is given in note 2.

24 Pledged assets

The Group had no assets pledged in the reporting year.

25 Leasing

Liabilities on finance leases, lessor

CHF million	2014	2013
Future minimum lease payments	8.5	–
Unguaranteed residual value	–	–
Gross investments in finance lease	8.5	–
Unrealised finance income	–0.4	–
Net investments in finance lease	8.1	–
Present value of the unguaranteed residual value	–	–
Finance lease receivables	**8.1**	**–**

Receivables from finance leases relate to one-off lease contracts for inspection machinery between Bucher Emhart Glass and a major customer. The leases were concluded in the reporting period.

Maturity analysis of liabilities on finance leases, lessor

CHF million	Gross investments in finance lease	Finance lease receivables	Gross investments in finance lease	Finance lease receivables
		2014		2013
Within 1 year	4.3	4.0	–	–
From 1 to 5 years	4.2	4.1	–	–
More than 5 years	–	–	–	–
Balance at 31 December	**8.5**	**8.1**	**–**	**–**

Liabilities on finance leases, lessee

CHF million	Minimum lease payments	Finance lease liabilities	Minimum lease payments	Finance lease liabilities
		2014		2013
Within 1 year	4.4	3.8	5.5	4.7
From 1 to 5 years	15.2	13.8	16.8	14.9
More than 5 years	5.7	5.3	9.2	8.6
Balance at 31 December	**25.3**	**22.9**	**31.5**	**28.2**
Finance charge	– 2.4	–	– 3.3	–
Finance lease liabilities	**22.9**	**22.9**	**28.2**	**28.2**

Liabilities on operating leases, lessee

CHF million	2014	2013
Within 1 year	7.8	7.7
From 1 to 5 years	13.8	14.3
More than 5 years	11.8	12.8
Minimum lease payments	**33.4**	**34.8**

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

26 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. 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 also 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. Group treasury is responsible for liquidity management. In its function as an in-house bank, its role is to provide the Group with sufficient liquidity at all times and in the currency required. The necessary funds are raised as and when required in the money and capital markets. 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 matched 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

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
					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**
					2013
Trade payables	–261.2	–	–	**–261.2**	–261.2
Other liabilities	–21.4	–2.5	–6.5	**–30.4**	–29.9
Financial liabilities	–292.2	–171.6	–10.9	**–474.7**	–455.8
Non-derivative financial instruments	**–574.8**	**–174.1**	**–17.4**	**–766.3**	**–746.9**
Forward currency contract (asset)	582.9	53.4	–	**636.3**	
Forward currency contract (liability)	–577.0	–53.3	–	**–630.3**	
Interest rate contract (asset)	0.4	–	–	**0.4**	
Interest rate contract (liability)	–0.1	–	–	**–0.1**	
Derivative financial instruments	**6.2**	**0.1**	**–**	**6.3**	**6.3**

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 approach, 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. Outstanding derivative financial instruments are recorded as current or non-current other receivables or payables as applicable. Derivative financial instruments are measured at fair value. Where hedge accounting is applied, value fluctuations are recognised in other comprehensive income and otherwise in the income statement. When the underlying transaction has been booked or the conditions for hedge accounting no longer apply, the corresponding amounts accumulated in other comprehensive income are transferred to the income statement. In the course of the reporting year, foreign exchange losses of CHF 4.0 million (2013: foreign exchange gain of CHF 5.5 million) were transferred 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). This translation risk is not hedged. 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	
	2014	**2013**	**2014**	**2013**
1 EUR	1.2139	1.2274	1.2024	1.2276
1 GBP	1.5077	1.4486	1.5438	1.4725
1 USD	0.9174	0.9233	0.9904	0.8901
1 BRL	0.3894	0.4289	0.3733	0.3768
1 AUD	0.8221	0.8913	0.8109	0.7960
1 CNY	0.1489	0.1501	0.1596	0.1470
100 SEK	13.3400	14.1700	12.8100	13.8600
1 RUB	0.0240	0.0290	0.0166	0.0271

Interest and price risk Interest risks result from changes in market interest rates, which may be influenced by 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. In the reporting period, bonds with a total nominal value of CHF 200.0 million, which were due for payment, were refinanced. In conjunction with the refinancing, interest rate contracts with a contract volume of CHF 75.0 million were entered into the previous year. The change in value of CHF 3.0 million was carried as a hedged item under other comprehensive income. The reserve carried under equity will be transferred to finance costs over the five-year term to maturity of the contracts. In the course of the reporting year, finance costs of CHF 0.1 million was reclassified from other comprehensive income to the income statement. Further information is given in note 10.

Value at risk Value at risk (VaR) is a measure used to quantify likely future changes in the value of financial items. VaR shows the maximum loss in value of a risk factor portfolio that could arise with a given probability (confidence level) over a specific holding period. 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 figures are based on a confidence level of 90% and a holding period of 30 days.

CHF million

	2014	**2013**
Foreign currency risk	–8.7	–9.8
Interest risk	–1.8	–0.9
Correlation	7.6	4.9
Total VaR	**–2.9**	**–5.8**

The decrease in the overall VaR measure, in contrast to the previous year, is mainly due to the marked increase in correlation effects. The risk contribution from foreign currency positions decreased owing to the reduction in volatility, whereas the interest risk increased significantly, mainly because of the issue of long-term public bonds.

Carrying amounts/fair values of 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
					2014
Cash and cash equivalents	–	337.8	–		**337.8**
Short-term investments	28.0	3.4	–		**31.4**
Trade receivables	–	–	482.7		**482.7**
Other receivables	–	–	42.1		**42.1**
Other financial assets	0.2	–	16.3		**16.5**
Trade payables		–	–263.6		**–263.6**
Other liabilities		–	–31.1		**–31.1**
Financial liabilities		–	–454.2		**–454.2**
Non-derivative financial instruments	**28.2**	**341.2**	**–207.8**		**161.6**
Forward currency contract (asset)		1.9		–	**1.9**
Forward currency contract (liability)		–6.0		–1.7	**–7.7**
Derivative financial instruments		**–4.1**		**–1.7**	**–5.8**
					2013
Cash and cash equivalents	–	423.1	–		**423.1**
Short-term investments	27.7	4.9	–		**32.6**
Trade receivables	–	–	439.4		**439.4**
Other receivables	–	–	30.7		**30.7**
Other financial assets	0.2	–	17.5		**17.7**
Trade payables		–	–261.2		**–261.2**
Other liabilities		–	–29.9		**–29.9**
Financial liabilities		–	–455.8		**–455.8**
Non-derivative financial instruments	**27.9**	**428.0**	**–259.3**		**196.6**
Forward currency contract (asset)		6.7		1.6	**8.3**
Forward currency contract (liability)		–1.9		–0.4	**–2.3**
Interest rate contract (asset)		0.4		–	**0.4**
Interest rate contract (liability)		–0.1		–	**–0.1**
Derivative financial instruments		**5.1**		**1.2**	**6.3**

Fair Values With the exception of the financial liabilities with a fair value of CHF 466.6 million, (2013: CHF 466.1 million), the book values are roughly equivalent to the fair values. The fair values disclosed, with the exception of the contingent considerations from acquisitions of CHF 3.5 million (CHF 6.5 million), 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 primarily based 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 (Brazil) 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 3.2 million and CHF 7.7 million respectively. Revaluation of the payment obligations led to a decrease of CHF 0.2 million, which was recognised under other operating expenses. Settlement of the outstanding commitments arising from the purchase by Kuhn Kraus in 2011 led to a final payment of CHF 5.0 million.

CHF million

	2014	**2013**
Balance at 1 January	6.5	7.2
Acquisition/disposal of subsidiaries	2.3	1.3
Revaluation	−0.2	−1.3
Paid during year	−5.0	−0.4
Exchange differences	−0.1	−0.3
Balance at 31 December	3.5	6.5

27 Capital management

The capital managed by Bucher Industries represents consolidated equity. 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.

	2014	**2013**
Interest coverage ratio (EBITDA to net interest expense)	23.0	30.5
Debt payback period (net debt to EBITDA)	0.2	–
Gearing ratio (net debt to equity)	7.1%	–
Equity ratio (equity to total assets)	46.1%	44.1%
Quick ratio (current assets less inventory to current liabilities)	107.0%	90.1%

28 Events after the reporting period

On 27 February 2015, the board of directors approved the consolidated financial statements for publication, subject to formal approval by the annual general meeting on 14 April 2015.

On 15 January 2015, the Swiss National Bank announced the discontinuation of the minimum rate of CHF 1.20 to the euro. The reported figures in this annual financial statement do not reflect any change in the exchange rates after 31 December 2014. In view of the fact that the Group uses Swiss francs as the presentation currency for its annual financial statements, any weakening of foreign currencies against the franc will have a negative translation effect on Group results as well as consolidated equity presented in francs. At the time of approval of the annual financial statements, the changes in exchange rates had not resulted in any significant foreign exchange gains or losses in the annual financial statements for 2015. Risk management for foreign currencies and currency sensitivity relating to changes in exchange rates are described in note 26.

29 Group companies

Company, place of incorporation	Country	Currency	Share capital	Division	Activities			Group interest in % 2014	2013
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	311 210 000	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	300 100 000	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	136 657 000	KG	P	D		100	100
Kuhn-Montana Indústria de Máquinas S/A, São José	BR	BRL	230 000 000	KG	P	D		100	–
Kuhn-Montana Argentina S/A, Casilda	AR	ARS	350 000	KG		D		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 %	
								2014	2013
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			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		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

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 %	
								2014	**2013**
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[1)]	DE	EUR	3 241 061	BSp	P	D		96	77
futronic GmbH, Tettnang	DE	EUR	260 000	BSp	P	D		96	77

1) Jetter's shares are delisted since 30 April 2014 on the Xetra exchange in Frankfurt (ISIN: DE0006264005).

Report of the statutory auditor

To the general meeting of Bucher Industries AG, Niederweningen

Report of the statutory auditor on the consolidated financial statements

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 119), for the year ended 31 December 2014.

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 2014 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, 27 February 2015

Balance sheet of Bucher Industries AG at 31 December 2014

CHF 1 000	Note	2014	2013
Cash and cash equivalents		39 568	68 056
Receivables from group companies		101 971	55 704
Other receivables		6 139	10 437
Current assets		**147 678**	**134 197**
Loans to group companies	1	543 801	677 861
Investments	2	739 408	698 633
Intangible assets		247	412
Non-current assets		**1 283 456**	**1 376 906**
Assets		**1 431 134**	**1 511 103**
Bond	3	–	200 000
Private placements	3	19 983	–
Short-term bank borrowings		40 000	64 719
Current payables to group companies		157 730	455 831
Other current liabilities		11 842	7 517
Current liabilities		**229 555**	**728 067**
Bond	3	200 000	–
Private placements	3	–	19 983
Long-term bank borrowings		74 388	105 000
Loans from group companies		185 500	–
Provisions		3 277	4 526
Non-current liabilities		**463 165**	**129 509**
Share capital	4	2 050	2 050
Statutory reserve		70 610	70 610
Distributable reserve		476 834	476 834
Retained earnings		37 408	29 183
Profit/(loss) for the year		151 512	74 850
Equity		**738 414**	**653 527**
Liabilities and equity		**1 431 134**	**1 511 103**

Income statement of Bucher Industries AG for the year ended 31 December 2014

CHF 1 000	Note	2014	2013
Income from investments	6	118 500	70 546
Finance income	7	110 197	92 357
Royalty income from group companies	8	14 552	13 182
Gain on sale of non-current assets		–	2 012
Other income		2 000	–
Income		**245 249**	**178 097**
Administrative expenses		5 453	4 727
Finance costs	9	77 287	96 897
Impairment charges	10	8 000	–
Income tax expense		2 997	1 623
Expenses		**93 737**	**103 247**
Profit/(loss) for the year		**151 512**	**74 850**

Notes to the financial statements of Bucher Industries AG

Applying the transitional provisions of the new accounting law, these financial statements have been prepared in accordance with the provisions on accounting and financial reporting of the Swiss Code of Obligations effective until 31 December 2012.

1 Loans to group companies

Serving as the central source of financing for the Group, Bucher Industries AG provides adequate equity funding and grants loans to group companies.

2 Investments

Information about Bucher Industries AG's direct and indirect investments in subsidiaries and associates is presented in the list of group companies on pages 117 to 119 of the annual report.

3 Bonds

In the reporting period, Bucher Industries issued two bonds, each of CHF 100.0 million, with terms of six and ten years and coupons of 0.63% and 1.38% respectively. The two bonds enabled the Group to secure long-term refinancing of the existing bond of CHF 200.0 million, which was due for repayment on 2 October 2014. Further information on the bond and private placements is disclosed on page 93 of the annual report.

4 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 shareolders and their investments A group of shareholders organised under a shareholders' agreement and 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 2015 and subsequent to the 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 1.46% 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, BlackRock 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	
	2014	**2013**
Rolf Broglie, chairman	13 776	13 444
Anita Hauser, deputy chairman	439 315	439 082
Ernst Bärtschi	719	2 628
Claude R. Cornaz	5 698	5 498
Michael Hauser	604 468	604 268
Heinrich Spoerry	3 086	3 036
Valentin Vogt	1 050	170
Directors	**1 068 112**	**1 068 126**

The directors did not hold any share options on 31 December 2014.

Group management's interests in shares and share options

		Number of shares		Number of options	
		2014	**2013**	**2014**	**2013**
Philip Mosimann	CEO	61 508	55 642	–	10 800
Roger Baillod	CFO	8 938	11 135	4 200	5 400
Stefan Düring	Bucher Specials	1 048	849	1 200	3 300
Michael Häusermann	Bucher Municipal	7 505	6 894	1 800	5 400
Martin Jetter	Bucher Emhart Glass	2 050	2 121	1 200	3 000
Thierry Krier	Kuhn Group	749	1 989	–	4 100
Daniel Waller	Bucher Hydraulics	9 066	7 116	10 030	11 400
Group management		**90 864**	**85 746**	**18 430**	**43 400**

		Number of options					
Grant year		**2009**	**2008**	**2007**	**2006**	**2005**	**Total**
Exercise price (CHF)		115.00	149.00	221.00	116.00	108.00	
Roger Baillod	CFO	2 400	1 800	–	–	–	**4 200**
Stefan Düring	Bucher Specials	1 200	–	–	–	–	**1 200**
Michael Häusermann	Bucher Municipal	600	1 200	–	–	–	**1 800**
Martin Jetter	Bucher Emhart Glass	–	–	1 200	–	–	**1 200**
Daniel Waller	Bucher Hydraulics	2 400	2 400	2 400	2 400	430	**10 030**
Group management		**6 600**	**5 400**	**3 600**	**2 400**	**430**	**18 430**

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. Each option entitles the holder to purchase one share.

5 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 235.9 million (2013: CHF 89.0 million). The amount claimed at the reporting date was CHF 92.6 million (CHF 22.4 million).

6 Income from investments

Income from investments comprised dividends received from directly related group companies.

7 Finance income

Finance income consisted of interest on loans granted to group companies, foreign exchange gains and income from cash and liquid assets.

8 Royalty income

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

9 Finance costs

Finance costs represented primarily interest expense on outstanding bonds, bank borrowings and payables to group companies as well as foreign exchange losses.

10 Impairment charges

This contains impairment of equity interests amounting to CHF 8.0 million.

11 Risk assessment procedure

Bucher Industries AG is the parent company of the Bucher Industries Group. A risk assessment process covering all the Group's operations takes place at group level (see the risk report in the notes to the consolidated financial statements). The risk exposures of Bucher Industries AG have therefore been assessed from the perspective of the Group as a whole and the required measures adopted where considered necessary.

Board of directors' proposal

Appropriation of retained earnings

CHF	
Profit for 2014	151 511 914
Retained earnings brought forward	37 407 699
Retained earnings available for distribution	**188 919 613**
The directors propose that the annual general meeting approve the payment of a dividend of CHF 6.50 per dividend-bearing share of CHF 0.20 each	66 625 000
Transfer to distributable reserve	50 000 000
Balance to be carried forward	72 294 613
Total	**188 919 613**

Report of the statutory auditor

To the general meeting of Bucher Industries AG, Niederweningen

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Bucher Industries AG, which comprise the balance sheet, income statement and notes (pages 122 to 127), for the year ended 31 December 2014.

Board of directors' responsibility The board of directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of 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 financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 of the 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 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 financial statements for the year ended 31 December 2014 comply with Swiss law and the company's articles of incorporation.

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 financial statements according to the instructions of the board of directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Christian Kessler	Ralf Zwick
Audit expert	Audit expert
Auditor in charge	

Zurich, 27 February 2015

Five-year summary

Group

CHF million

		2014	2013	2012	2011	2010
Order intake		2 742.1	2 718.2	2 490.4	2 587.5	2 216.5
Net sales		2 805.6	2 690.8	2 609.0	2 336.0	2 033.7
Order book		788.9	850.4	795.3	923.0	663.0
Operating profit before depreciation and amortisation (EBITDA)		349.8	371.1	306.9	259.9	223.9
As % of net sales		12.5%	13.8%	11.8%	11.1%	11.0%
Operating profit (EBIT)		257.2	287.1	231.7	190.2	151.4
As % of net sales		9.2%	10.7%	8.9%	8.1%	7.4%
Net financial items		– 13.2	– 11.4	– 12.6	– 18.4	– 10.8
Income tax expense		– 54.3	– 79.5	– 63.1	– 44.4	– 42.9
As % of profit before tax		22.3%	28.8%	28.8%	25.8%	30.5%
Profit/(loss) for the year		189.7	196.2	156.0	127.4	97.7
As % of net sales		6.8%	7.3%	6.0%	5.5%	4.8%
Capital expenditure		116.3	136.6	96.5	118.3	65.8
Operating free cash flow		53.7	91.7	105.4	54.8	201.9
Research and development costs		102.4	90.5	80.8	74.4	73.2
Total assets		2 604.5	2 436.3	2 259.4	2 247.7	1 984.9
Cash and cash equivalents and short-term investments		369.2	455.7	480.3	467.1	548.4
Receivables		565.8	498.5	458.7	476.0	401.8
Inventories		668.7	632.9	582.1	587.9	451.3
Investments and other financial assets		43.7	44.5	50.5	49.0	46.8
Property, plant and equipment		634.8	569.7	478.0	449.2	366.1
Intangible assets		252.9	181.5	159.3	174.0	135.4
Current liabilities		873.9	1 059.1	906.5	877.4	646.0
Non-current liabilities		529.0	303.1	462.6	555.9	591.2
Total liabilities		1 402.9	1 362.2	1 369.1	1 433.3	1 237.2
Of which interest-bearing		454.2	455.8	499.7	538.6	529.4
Net cash/debt		– 85.0	– 0.1	– 19.4	– 71.5	19.0
Equity		1 201.6	1 074.1	890.3	814.4	747.7
Equity ratio		46.1%	44.1%	39.4%	36.2%	37.7%
Return on equity (ROE)		16.7%	20.0%	18.3%	16.3%	12.7%
Net working capital		472.6	416.0	347.5	314.5	271.1
Net operating assets (NOA), average		1 268.0	1 061.3	969.6	827.8	849.2
Return on net operating assets (RONOA), after tax		15.8%	19.3%	17.0%	17.0%	12.4%
Number of employees at 31 December[1]		11 554	10 916	10 166	10 136	7 899
Average number of employees during year[1]		11 631	10 788	10 383	9 380	7 639
Net sales per employee	CHF 1 000	241	250	251	249	266

[1] Expressed as full-time equivalents.

Addresses

Bucher Group – www.bucherindustries.com

Bucher Industries AG
Murzlenstrasse 80   8166 Niederweningen   Switzerland
Phone +41 43 815 80 80   Fax +41 43 815 80 81
info@bucherindustries.com   www.bucherindustries.com

Bucher Management AG
Flughafenstrasse 90   8058 Zurich   Switzerland
Phone +41 43 815 80 80   Fax +41 43 815 80 81
info@bucherindustries.com   www.bucherindustries.com

Kuhn Group, specialised agricultural machinery – www.kuhn.com

Kuhn SA
4, Impasse des Fabriques   67706 Saverne   France
Phone +33 388 01 81 00   Fax +33 388 01 81 01

Kuhn-Huard SA
Rue du Québec   44142 Châteaubriant   France
Phone +33 240 55 77 00   Fax +33 240 55 77 10

Kuhn-Audureau SA
Rue Quanquèse   85260 La Copechagnière   France
Phone +33 251 41 47 00   Fax +33 251 41 41 03

Kuhn-Blanchard SAS
24 rue de Nantes   44680 Chéméré   France
Phone +33 240 21 30 24   Fax +33 240 64 80 11

Kuhn-Geldrop B.V.
Nuenenseweg 165   5667 KP Geldrop   The Netherlands
Phone +31 40 28 93 300   Fax +31 40 28 53 215

Kuhn North America, Inc.
1501 West Seventh Avenue Brodhead, WI 53520-0167 USA
Phone +1 608 897 21 31   Fax +1 608 897 25 61

Kuhn Krause, Inc.
305 S. Monroe St.   Hutchinson, KS 67504   USA
Phone +1 620 663 61 61   Fax +1 620 622 59 03

Kuhn do Brasil S/A
Rua Arno Pini 1380   99050-130 Passo Fundo, RS   Brazil
Phone +55 54 3316 6200   Fax +55 54 3316 6250

Kuhn-Montana Indústria de Máquinas S/A
Rua Francisco Dal Negro No. 3.400
83025-320 São José dos Pinhais, PR   Brazil
Phone +55 41 2102 0200   Fax +55 41 2102 0230

Bucher Municipal, municipal vehicles – www.buchermunicipal.com

Bucher Municipal AG
Murzlenstrasse 80 8166 Niederweningen Switzerland
Phone +41 44 857 22 11 Fax +41 44 857 22 49

Bucher Municipal GmbH
Schörlingstrasse 3 30453 Hanover Germany
Phone +49 511 21 49 0 Fax +49 511 21 49 115

Bucher Municipal SIA
Ganibu iela 105 3601 Ventspils Latvia
Phone +371 6 366 10 50 Fax +371 6 366 10 51

Bucher Municipal Ltd
Sihwa Industrial Complex 3Ma 819Ho Chungwang-Dong
Siheung-City Kyunggi-Do Korea 429-450
Phone +82 31 498 89 61 Fax +82 31 498 89 85

Johnston Sweepers Ltd
Curtis Road Dorking, Surrey RH4 1XF United Kingdom
Phone +44 1306 88 47 22 Fax +44 1306 88 41 51

Beam A/S
Salten Skovvej 4–6 8653 Them Denmark
Phone +45 86 84 76 00 Fax +45 86 84 77 34

Bucher Municipal Pty Ltd
65–73 Nantilla Road Clayton North, 3168 Victoria Australia
Phone +61 3 9271 64 00 Fax +61 3 9271 64 80

Giletta S.p.A.
Via A. De Gasperi, 1 12036 Revello Italy
Phone +39 0175 258 800 Fax +39 0175 258 825

Gmeiner GmbH
Daimlerstrasse 18 92533 Wernberg-Köblitz Germany
Phone +49 9604 93 26 70 Fax +49 9604 93 26 749

Bucher Hydraulics, hydraulic components – www.bucherhydraulics.com

Bucher Hydraulics GmbH
Industriestrasse 1 79771 Klettgau Germany
Phone +49 7742 85 20 Fax +49 7742 71 16

Bucher Hydraulics Erding GmbH
Albert-Einstein-Strasse 12 85435 Erding Germany
Phone +49 8122 9713-0 Fax + 49 8122 9713-27

Bucher Hydraulics AG
Industriestrasse 15 6345 Neuheim Switzerland
Phone +41 41 757 03 33 Fax +41 41 755 16 49

Bucher Hydraulics AG Frutigen
Schwandistrasse 25 3714 Frutigen Switzerland
Phone +41 33 672 61 11 Fax +41 33 672 61 03

Bucher Hydraulics S.p.A.
Via P. Colletta, n. 5 42124 Reggio Emilia Italy
Phone +39 0522 9284 11 Fax +39 0522 5132 11

Bucher Hydraulics, Inc.
1363 Michigan Street, NE Grand Rapids, MI 49503 USA
Phone +1 616 458 13 06 Fax +1 616 458 16 16

Bucher Hydraulics Pvt. Ltd
Plot No. 6 Sector 5 IMT Menesar Gurgaon 122050 India
Phone +91 124 47 00 100 Fax +91 124 40 39 499

Suzhou Bucher Hydraulics Co. Ltd
168 Shexing Road
Foho New & Hi-tech Industrial Development Zone
215214 Wujiang City, Jiangsu China
Phone +86 512 6322 1299 Fax +86 512 6322 1033

Bucher Hidráulica Ltda.
Rua Berto Cirio, 1420, São Luis
92420-030 Canoas – RG Brazil
Phone +55 51 3361 3512 Fax +55 51 3341 2210

Bucher Emhart Glass, manufacturing equipment for the glass container industry – www.bucheremhartglass.com

Bucher Emhart Glass SA
Hinterbergstrasse 22 6330 Cham Switzerland
Phone +41 41 749 42 00 Fax +41 41 749 42 71

Bucher Emhart Glass Manufacturing Inc.
1140 Sullivan Street Elmira, NY 14901 USA
Phone +1 607 734 3671 Fax +1 607 734 1245

Bucher Emhart Glass Sweden AB
Universitetsallén 1 85121 Sundsvall Sweden
Phone +46 60 199 100 Fax +46 60 199 261

Bucher Emhart Glass Inc. Emhart Glass Research Center
123 Great Pond Drive Windsor, CT 06095 USA
Phone +1 860 298 7340 Fax +1 860 298 7395

Bucher Emhart Glass Sdn Bhd
20, Jalan Mahir 5 Taman Perindustrian Cemerlang
81800 Ulu Tiram, Johor Malaysia
Phone +607 863 11 22 Fax +607 863 77 17

Shandong Sanjin Glass Machinery Co Ltd
577 Xinglu Road Zhoucun District
255300 Zibo, Shandong China
Phone +86 533 618 17 17 Fax +86 533 618 17 18

Bucher Specials

Bucher Vaslin SA
Rue Gaston Bernier 49290 Chalonnes-sur-Loire France
Phone +33 241 74 50 50 Fax +33 241 74 50 52
www.buchervaslin.com

Bucher Landtechnik AG
Murzlenstrasse 80 8166 Niederweningen Switzerland
Phone +41 44 857 26 00 Fax +41 44 857 24 12
www.bucherlandtechnik.ch

Bucher Vaslin Sudamérica
Neptuno 1339 – Quinta Normal Santiago Chile
Phone +56 2 773 3960 Fax +56 2 773 3960

Bucher Filtrox Systems AG
Moosmühlestrasse 8 9000 St.Gallen Switzerland
Phone +41 71 272 91 11 Fax +41 71 277 12 64

Bucher Unipektin AG
Murzlenstrasse 80 8166 Niederweningen Switzerland
Phone +41 44 857 23 00 Fax +41 44 857 23 41
www.bucherunipektin.com

Jetter AG
Gräterstrasse 2 71642 Ludwigsburg Germany
Phone +49 7141 2550 486 Fax +49 7141 2550 484
www.jetter.de