



BUCHER

Mid-year report 2005

Key figures

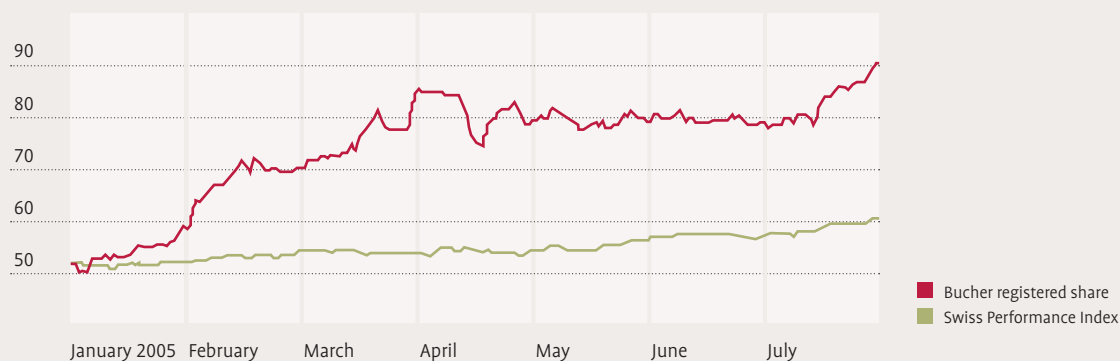
Group

CHF million	January – June 2005	January – June 2004	% change
Order intake	891.9	870.0	+ 2.5
Net sales	984.5	814.4	+ 20.9
Order book	429.0	386.3	+ 11.1
Operating result before depreciation and amortization (EBITDA)	80.4	63.5	+ 26.6
as % of net sales	8.2 %	7.8 %	
Operating result (EBIT)	55.4	35.2	+ 57.4
as % of net sales	5.6 %	4.3 %	
Net result	38.8	18.3	+ 112.0
as % of net sales	3.9 %	2.2 %	
Operating free cash flow	- 86.6	0.2	
Net operating assets (NOA) at 30 June	661.7	534.1	+ 23.9
Net debt at 30 June	83.8	36.4	+ 130.2
Total assets	1 675.1	1 417.4	+ 18.2
Equity	578.7	493.0	+ 17.4
Equity ratio	34.5 %	34.8 %	
Earnings per share in CHF	3.96	1.88	+ 110.6
Number of employees at 30 June	7 130	5 844	+ 22.0

Divisions

CHF million	Order intake January – June		Net sales January – June		Order book at 30 June		Operating result (EBIT) January – June		Number of employees at 30 June	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Kuhn Group	319.7	309.2	446.5	403.7	72.5	68.0	37.8	31.8	3 027	2 561
Bucher Municipal	196.6	146.4	189.0	127.8	113.6	75.5	6.6	1.7	1 536	759
Bucher Process	84.5	83.2	57.2	51.0	49.3	55.0	1.2	- 2.9	583	608
Bucher Hydraulics	138.3	131.1	139.3	125.2	48.4	43.4	15.1	10.5	1 041	999
Emhart Glass	147.3	196.0	152.4	107.4	144.6	144.4	2.5	1.2	859	845

Development of share price CHF



Bucher Industries delivers 21% growth in sales

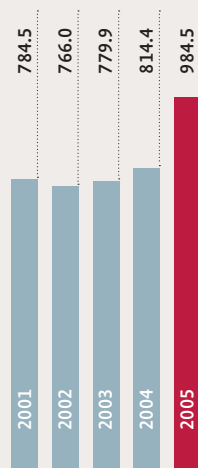
Dear Shareholder

During the first half of 2005, Bucher Industries increased sales by 21% to CHF 985 million, up 14% excluding the impact of acquisitions. Order intake rose by 3% to CHF 892 million. Excluding the effect of acquisitions, this was 4% below the very high level seen a year ago. Our operating result climbed by 57% to CHF 55 million and our net result improved by CHF 21 million to CHF 39 million.

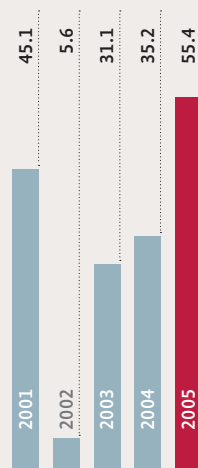
Slight economic slowdown in second quarter The economic trends in the markets where Bucher Industries operates continued as expected during the first half of the year, with a slight slowdown becoming apparent in the second quarter of 2005. Steel prices remained high, and energy prices continued to rise. At the same time, we felt the positive impact of the strengthening US dollar against the Euro and Swiss franc in the first half 2005.

Operating performance Bucher Industries delivered a solid performance during the first six months of 2005. The operations of Kuhn Brazil and Johnston were consolidated for the first time as of 1 January and 1 April respectively. With all the divisions enjoying a high volume of business, the group's sales advanced by 20.9% to CHF 984.5 million, up 21.8% excluding the effect of currency movements and up 14.9% excluding the effect of currency and acquisitions. Compared to the strong prior year period, which was buoyed by major one-off orders, order intake rose by 2.5% to CHF 891.9 million. This represents an increase of 3.3% excluding the effect of currency movements, but a decrease of 3.6% excluding the effect of currency and acquisitions. Our operating result climbed by 57.4% to CHF 55.4 million, bolstered by the Johnston acquisition. The operating result was weighed down by costs in the upper single digit millions associated with an out-of-court settlement reached by Emhart Glass. Including the financial result of CHF 5.0 million and income tax expense of CHF 21.6 million, our net result more than doubled to CHF 38.8 million compared to the same period last year.

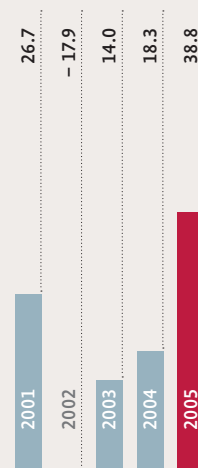
Net sales
CHF million



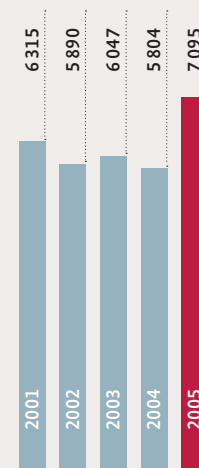
Operating result (EBIT)
CHF million



Net result
CHF million



Average number of employees



Financial position The first half of 2005 saw an increase in net working capital driven by sales growth and seasonal factors. Net operating assets were CHF 222.2 million up on the year-end figure, with CHF 93.8 million contributed by acquisitions. As a result, operating free cash flow fell to negative CHF 86.6 million. Net debt was CHF 83.8 million against net liquidity of CHF 91.8 million at 31 December 2004 and net debt of CHF 36.4 million at 30 June 2004. Equity grew to CHF 578.7 million, up CHF 53.3 million since the end of December 2004. Our equity ratio stood at 34.5% as compared to 35.2% at year-end 2004.

Registered shares After the annual general meeting held on 26 April 2005, we introduced standard registered shares. Since the beginning of the year, the share price performed strongly, advancing from CHF 50.60 to CHF 90.50 at the end of July.

Kuhn Group Kuhn Group generated first half sales of CHF 446.5 million with specialized agricultural machinery, outperforming the same period last year by 10.6%, or 12.1% excluding the effect of currency movements and 9.0% excluding acquisitions. Order intake rose by 3.4% to reach CHF 319.7 million. The operating result improved by 18.9% to CHF 37.8 million. In the main market, the EU, overall performance was weighed down by the debate on future agricultural policy. The division capitalized on the impetus for growth in North America and Eastern Europe, expanding its market positions in those regions. The integration of Kuhn Brazil has progressed satisfactorily, with jointly developed products already being launched. However, Kuhn Brazil felt a marked drop in demand due to the exceptional drought coupled with massive crop failures across much of South America. Kuhn Group anticipates slightly weaker markets in Central Europe but expects an overall improvement in sales and the operating result for 2005.

Bucher Municipal Demand for municipal vehicles slackened due to tight public finances, while prices remained under heavy pressure. Only a few large-scale contracts were executed. During the period under review, the division won two sizable tenders to supply compact and airport sweepers and generated total sales of CHF 189.0 million, an increase of 47.9%. Excluding the Johnston acquisition, sales grew by 9.1%. Order intake reached CHF 196.6 million, 34.3% ahead of the same period last year, but decreased by 0.6% excluding the acquisition. The operating result improved by CHF 4.9 million to CHF 6.6 million. This includes Johnston's operating result for the second quarter of 2005 and negative goodwill of CHF 2.0 million arising on the provisional purchase accounting of Johnston, which has been recognized in the income statement. On 5 August 2005 the UK Competition Commission provisionally cleared the Johnston acquisition. After expiry of the period for objections Bucher Industries expects definitive clearance by 20 September 2005 at the latest. For the full year 2005, Bucher Municipal anticipates significant growth in sales and a higher operating result.

Bucher Process Bucher Process continued its recovery during the first six months of 2005. Sales of fruit juice and wine production plant grew by 12.1% to CHF 57.2 million, with order intake up 1.6% to CHF 84.5 million. The division posted an operating result of CHF 1.2 million, making a profit despite the seasonally weaker first half of the year and outperforming the equivalent prior year period by CHF 4.1 million. Strengthening its market position in presses and filtration systems for fruit juice production, Bucher Process enjoyed particularly strong demand in China, Poland and Germany. Even though wine prices fell in the wake of the bumper

2004 grape harvest and despite a decline in capital spending, the division also gained market share in the segment for wine production plant. Bucher Process expects the good trend to continue and anticipates a slight increase in sales and a further improvement in its operating result for the full year 2005.

Bucher Hydraulics Bucher Hydraulics recorded sales of CHF 139.3 million for the first half of 2005, 11.3% ahead of the figure for the same period last year. Order intake was up 5.5% at CHF 138.3 million. The operating result improved by 43.8% to CHF 15.1 million. Bucher Hydraulics' strong market position in the key segments for construction machinery, materials handling equipment and agricultural machinery underpinned its good sales of mobile hydraulic systems in Europe, the USA and China. International key accounts played an increasingly important role. High demand translated into good capacity utilization. After the strong first six months, Bucher Hydraulics anticipates a slight slowdown during the second half of 2005, with the full year showing growth in sales and a higher operating result than in 2004.

Emhart Glass Emhart Glass operated at full capacity during the first six months of 2005. Backed largely by a strong order book at the beginning of the year, sales increased by a substantial 42.0% to CHF 152.4 million. Order intake at Emhart Glass was down 24.8% to CHF 147.3 million. Excluding the exceptional large-scale orders valued at CHF 80 million in the prior year period, order intake was up 27.0% period on period. Adversely affected by costs in the upper single digit millions associated with an out-of-court settlement, the operating result of CHF 2.5 million was only marginally higher than the year-ago level of CHF 1.2 million. For 2005 Emhart Glass expects a sharp increase in sales and an operating result level with last year.

Outlook for 2005 The slowdown in economic activity that began during the second quarter is likely to continue in the latter half of the year. Developments in EU agricultural policy could dampen European spending on agricultural machinery. However, this should be offset, at least in part, by the robust state of the North American market. The group believes that demand for municipal vehicles, wine and fruit juice production plant, hydraulic components, and production equipment for the container glass forming industry will be stable. Assuming that exchange rates and raw material prices remain at their present levels, Bucher Industries expects high sales growth driven by acquisitions, coupled with an improved operating and net result for the year.

Niederweningen, 16 August 2005



Rudolf Hauser
Chairman of the board



Philip Mosimann
Chief Executive Officer

Consolidated financial statement

Consolidated balance sheet

CHF million		%		%		%		
		30 June 2005		30 June 2004		31 December 2004		
Assets	Current assets							
	Cash and cash equivalents	189.8	11.4	191.0	13.5	296.6	19.9	
	Securities	114.5	6.8	116.5	8.2	108.1	7.2	
	Trade receivables	425.6	25.4	323.1	22.8	322.1	21.6	
	Other receivables	53.5	3.2	43.3	3.0	46.7	3.1	
	Inventories	490.6	29.3	404.7	28.6	397.8	26.6	
	Total current assets	1 274.0	76.1	1 078.6	76.1	1 171.3	78.4	
	Non-current assets							
	Long-term receivables	13.8	0.8	24.9	1.7	14.4	1.0	
	Deferred tax assets	30.4	1.8	16.5	1.2	20.3	1.4	
	Financial assets	20.7	1.2	16.6	1.2	16.8	1.1	
	Property, plant and equipment	251.3	15.0	221.6	15.6	222.3	14.8	
	Intangible assets	84.9	5.1	59.2	4.2	48.6	3.3	
	Total non-current assets	401.1	23.9	338.8	23.9	322.4	21.6	
	Total assets	1 675.1	100.0	1 417.4	100.0	1 493.7	100.0	
	Liabilities and equity	Current liabilities						
		Financial liabilities	154.5	9.3	112.8	8.0	76.1	5.1
Trade payables		255.2	15.2	213.4	15.1	209.5	14.0	
Customer advances		70.0	4.2	57.7	4.1	156.9	10.5	
Income tax liabilities		22.9	1.4	20.6	1.4	15.5	1.0	
Employee benefits		25.0	1.5	20.7	1.5	21.5	1.5	
Provisions		60.6	3.6	63.6	4.5	53.3	3.6	
Other liabilities		189.9	11.3	132.5	9.3	124.1	8.3	
Total current liabilities		778.1	46.5	621.3	43.9	656.9	44.0	
Non-current liabilities								
Financial liabilities		233.6	13.9	231.1	16.3	236.8	15.8	
Deferred tax liabilities		27.3	1.6	21.4	1.5	22.0	1.5	
Retirement benefit obligations		27.9	1.7	22.7	1.6	25.5	1.7	
Provisions		14.7	0.9	13.3	0.9	14.4	1.0	
Other liabilities		14.8	0.9	14.6	1.0	12.7	0.8	
Total non-current liabilities		318.3	19.0	303.1	21.3	311.4	20.8	
Equity								
Attributable to shareholders								
of Bucher Industries AG		572.7	34.1	487.8	34.4	519.5	34.8	
Attributable to minority interests		6.0	0.4	5.2	0.4	5.9	0.4	
Total equity	578.7	34.5	493.0	34.8	525.4	35.2		
Total liabilities and equity	1 675.1	100.0	1 417.4	100.0	1 493.7	100.0		

Consolidated income statement

CHF million	%		%	
	January – June 2005		January – June 2004	
Net sales	984.5	100.0	814.4	100.0
Changes in inventories	40.8	4.1	13.3	1.6
Other operating revenues	5.5	0.6	6.4	0.8
Operating revenue	1 030.8	104.7	834.1	102.4
Material expenses	- 554.5	- 56.3	- 415.4	- 51.0
Personnel expenses	- 250.2	- 25.4	- 225.4	- 27.7
Other operating expenses	- 145.7	- 14.8	- 129.8	- 15.9
Operating result before depreciation and amortization (EBITDA)	80.4	8.2	63.5	7.8
Depreciation	- 20.8	- 2.2	- 19.5	- 2.4
Amortization	- 4.2	- 0.4	- 8.8	- 1.1
Operating result (EBIT)	55.4	5.6	35.2	4.3
Financial result	5.0	0.5	- 1.6	- 0.2
Result before taxes	60.4	6.1	33.6	4.1
Income taxes	- 21.6	- 2.2	- 15.3	- 1.9
Net result	38.8	3.9	18.3	2.2
Attributable to shareholders of Bucher Industries AG	38.7		18.3	
Attributable to minority interests	0.1		-	
Earnings per share in CHF	3.96		1.88	
Diluted earnings per share in CHF	3.94		1.87	

Consolidated cash flow statement

CHF million

	January – June 2005	January – June 2004
Cash flow from operating activities before changes in net working capital and provisions	68.8	61.8
Change in provisions	- 0.5	- 1.6
Change in net working capital	- 138.2	- 44.1
Cash flow from operating activities	- 69.9	16.1
Purchases of property, plant and equipment	- 17.4	- 16.4
Proceeds from sale of property, plant and equipment	1.0	0.9
Purchases of intangible assets	- 0.3	- 0.4
Purchases of financial assets and securities	- 1.0	- 3.5
Proceeds from sale of financial assets and securities	0.7	-
Acquisitions	- 29.5	-
Divestments	-	- 0.6
Cash flow from investing activities	- 46.5	- 20.0
Change in treasury shares	0.8	- 1.9
Proceeds from long-term financial liabilities	4.4	17.1
Repayment of long-term financial liabilities	- 8.4	-
Change in short-term financial liabilities	22.6	- 5.4
Dividend paid	- 14.1	- 9.7
Cash flow from financing activities	5.3	0.1
Effect of exchange rate changes	4.3	- 2.2
Net change in cash and cash equivalents	- 106.8	- 6.0
Cash and cash equivalents at 1.1.	296.6	197.0
Cash and cash equivalents at 30.6.	189.8	191.0

Operating free cash flow/Free cash flow

CHF million

	January – June 2005	January – June 2004
Cash flow from operating activities	- 69.9	16.1
Purchases of property, plant and equipment	- 17.4	- 16.4
Purchases of intangible assets	- 0.3	- 0.4
Proceeds from sale of property, plant and equipment	1.0	0.9
Operating free cash flow	- 86.6	0.2
Purchases of financial assets and securities	- 1.0	- 3.5
Proceeds from sale of financial assets and securities	0.7	-
Dividend paid	- 14.1	- 9.7
Acquisitions	- 29.5	-
Divestments	-	- 0.6
Free cash flow	- 130.5	- 13.6

Consolidated equity statement

CHF million	Share capital	Share premium reserves	Retained earnings	Currency translation reserves	Treasury shares	Fair value adjustments on financial instruments	Attributable to shareholders of Bucher Industries AG	Attributable to minority interests	Total equity
Balance at 31.12.2003	2.1	66.6	476.9	- 37.2	- 43.0	17.0	482.4	5.2	487.6
Dividend			- 9.7				- 9.7		- 9.7
Net result			18.3				18.3		18.3
Change in treasury shares			- 1.6		3.5		1.9		1.9
Change in currency translation reserves				- 5.4			- 5.4		- 5.4
Change in fair value of financial instruments						0.3	0.3		0.3
Balance at 30.6.2004	2.1	66.6	483.9	- 42.6	- 39.5	17.3	487.8	5.2	493.0
Balance at 31.12.2004	2.1	66.6	517.6	- 49.5	- 37.4	20.1	519.5	5.9	525.4
Dividend			- 14.1				- 14.1		- 14.1
Net result			38.7				38.7	0.1	38.8
Change in treasury shares			0.9		1.1		2.0		2.0
Change in currency translation reserves				22.6			22.6		22.6
Change in fair value of financial instruments						4.0	4.0		4.0
Balance at 30.6.2005	2.1	66.6	543.1	- 26.9	- 36.3	24.1	572.7	6.0	578.7

Foreign currency exchange rates

	Income statement average rate		Balance sheet rate	
	January – June 2005	January – June 2004	30 June 2005	30 June 2004
1 EUR	1.5432	1.5506	1.5499	1.5211
1 GBP	2.2494	2.2933	2.2989	2.2819
1 USD	1.1986	1.2630	1.2818	1.2460
1 BRL	0.4715	0.4274	0.5462	0.4075
100 SEK	16.8600	16.9200	16.4400	16.6300

Notes to the consolidated financial statements

Group accounting policies The unaudited financial statements for the six months ended 30 June 2005 have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". The Group's accounting policies set out in the annual report 2004 have been applied consistently except as explained below. Various prior year figures have been reclassified to present comparative information. A number of new and revised International Financial Reporting Standards (IFRS) came into effect on 1 January 2005 and have the following impact:

- ▶ IFRS 3 "Business Combinations": goodwill is no longer amortized on a straight-line basis but is only written down as and when a permanent impairment is determined. For acquisitions made after 1 April 2004, the purchase price must be allocated to identifiable assets and liabilities. Significant components of purchase price have to be allocated to intangible assets, such as trademarks, patents, customer relationships and licenses, and will be amortized in the income statement on a straight-line basis over their estimated useful economic lives. The interim financial statements for 2004 included CHF 5.2 million in straight-line amortization of goodwill.
- ▶ IAS 27 "Consolidated and Separate Financial Statements": in future third-party minority interests in fully consolidated subsidiaries will be treated as equity and be presented as a component of equity in the consolidated balance sheet. In the income statement, minority interests in the net result are no longer recorded as expense. This does not affect the calculation of net earnings per share.

The adoption of the new and revised standards has not had a significant impact on the group's equity or net result.

Acquisitions The 2005 acquisitions of Kuhn Brazil and the European and Australian sweeper operations of Johnston Sweepers Ltd., UK, together contributed CHF 56.0 million or 6.9% to first half sales. On 14 February 2005, Bucher Industries acquired a 20% stake in Jetter AG. This strategic investment is included in financial assets while goodwill acquired is recorded as an intangible asset.

Financial position and results of operations The growth of CHF 222.2 million in net operating assets to CHF 661.7 million during the first half of 2005 primarily resulted from the increase in business volume, a seasonal decline in customer advances, and CHF 93.8 million contributed by acquisitions. Compared to 30 June 2004, net operating assets were up CHF 127.6 million. Net debt was CHF 83.8 million (31 December 2004: net liquidity of CHF 91.8 million; 30 June 2004: net debt of CHF 36.4 million), representing a gearing ratio of 14.5% of equity. Although equity rose by CHF 53.3 million, the equity ratio fell slightly from 35.2% to 34.5% because total assets were higher. The ratio of long-term debt to total debt was 60% (31 December 2004: 76%; 30 June 2004: 67%). During the first six months of 2005, intangible assets rose by CHF 36.3 million to CHF 84.9 million as a result of acquisitions. This amount included CHF 50.1 million of goodwill on acquisitions (31 December 2004: CHF 24.8 million). The goodwill to equity ratio was a low 9%. Operating free cash flow was

negative CHF 86.6 million (first half 2004: CHF 0.2 million), mainly due to the large increase in net working capital. During the first half of 2005, the number of treasury shares decreased by 30 410 to 773 960, primarily as a result of options exercised under share option schemes.

The 20.9% sales growth consisted of 14.9% from organic growth, 6.9% from acquisitions and a negative currency effect of 0.9%. EBITDA rose significantly by CHF 16.9 million to CHF 80.4 million. The higher ratio of material expenses to operating revenue, at 53.8% (first half 2004: 49.8%), was partially due to heavy increases in raw material prices. Proportionally lower personnel expenses, representing 24.3% of operating revenue (27.0%), and a percentage reduction in other operating expenses to 14.1% (15.6%) helped to raise the EBITDA margin by 0.4% to 8.2%. Other operating expenses were reduced by CHF 2.0 million recognized as a gain for the goodwill arising on the provisional purchase accounting of Johnston. As a result of these improvements and the elimination of straight-line goodwill amortization of CHF 5.2 million, EBIT was up CHF 20.2 million to CHF 55.4 million and the EBIT margin rose from 4.3% to 5.6%. The financial result improved by CHF 6.6 million to reach CHF 5.0 million, mainly benefiting from unrealized exchange gains. Income tax expense of CHF 21.6 million (CHF 15.3 million) represents the amount of taxes actually paid or accrued, without future tax benefits of tax loss carryforwards being recognized as assets. The tax rate for the first half of 2005 was 35.8% (45.5%). This return to normal was mainly due to the elimination of losses in some group companies, coupled with the impact of tax optimization schemes. We anticipate a full year tax rate of approximately 33% for 2005. The net result of CHF 38.8 million (CHF 18.3 million) came in at 3.9% (2.2%) of net sales.

The preparation of consolidated interim financial statements requires management to make estimates and assumptions, based on their best judgement, that affect reported revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year the circumstances change.

Calendar

Release of third quarter 2005 group sales	27.10.2005
Release of 2005 group sales	02.02.2006
Annual press conference	22.03.2006 8:30 a.m.
Financial analyst conference	22.03.2006 2:30 p.m.
Mailing of annual report 2005	31.03.2006
Release of first quarter 2006 group sales	24.04.2006
Annual general meeting (Mövenpick Hotel, Regensburg)	25.04.2006 4:00 p.m.
Mid-year report 2006	16.08.2006
Release of third quarter 2006 group sales	26.10.2006

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