

## **Press release**

Niederweningen, 13 March 2007

Financial press and analyst conference

### **2006: a good year for business**

**Bucher Industries can look back on a good year of business. 200 years after Heinrich Bucher-Weiss laid the cornerstone of Bucher Industries with his blacksmith's shop in Murzeln in Niederweningen, the group exceeded the CHF 2 billion mark for the first time with sales of CHF 2 087 million and achieved 7% growth, 5% adjusted for acquisition effects. Order intake increased by 11% year-on-year and amounted to CHF 2 163 million. Restructuring costs and impairments totalling CHF 34 million could be more than compensated. The operating result increased by 5% to CHF 124 million and the group's net result increased by 11% to CHF 96 million.**

### **Friendly market environment**

The friendly market environment of the previous year continued into the year under review. Demand was restrained only in the agricultural machinery and wine and fruit juice production plant segments. To a large extent it was possible to compensate for the continued increase in the prices of commodities and energy, and the positive effects of a strong euro made up for the weakness of the US dollar.

### **Sales of more than 2 billion**

Sales by Bucher Industries rose 7.1% to CHF 2 087.1 million in the year under review and exceeded the two-billion mark for the first time in the group's 200-year history. The increase adjusted for currency effects amounted to 5.6%, and 5.1% adjusted for acquisition and divestment effects. Order intake grew by 11.1% to CHF 2 163.3 million and the order book, at CHF 605.2 million, was up 15.6% on the previous year. Although the costs for the restructuring of the Kuhn Group and Emhart Glass of around CHF 25 million and impairments

at Kuhn Metasa in Brazil of CHF 9 million burdened the operating result, the latter still improved by 5.0% to CHF 123.7 million. This satisfactory result was mainly due to high capacity utilization and the ongoing implementation of measures to increase efficiency. With a financial result of CHF 12.9 million and tax expenditures of CHF 41.1 million, Bucher Industries increased its group result by 10.9% to CHF 95.5 million.

Equity increased by CHF 86.0 million to CHF 724.5 million, while the equity ratio improved from 38.1% to 39.4%. At the end of the reporting period net liquidity was CHF 173.1 million, an increase of CHF 104.1 million over the previous year. Operating free cash flow increased by 63.8% compared to the previous year and amounted to CHF 101.2 million. At year-end, Bucher Industries had 6 775 employees in 29 countries, 1.4% less than the previous year.

### **Divisions**

**Kuhn Group** generated sales of CHF 778.7 million with specialized agricultural machinery, outperforming the previous year by 0.1% in Swiss francs. In local currencies, sales fell by 1.6% year-on-year. Demand remained buoyant in Central and Eastern Europe, but Western Europe, with the exception of Germany, suffered a lack of positive momentum. The agricultural crisis in Brazil bottomed out and business volume fell further. Order intake improved by 6.4% to CHF 805.5 million. The closing of the Kuhn Nodet plant in France and the relocation of production resulted in one-off costs of approximately CHF 20 million. Patent and trademark rights in Brazil were impaired by CHF 9.2 million. These costs caused the operating result to fall by CHF 23.4 million to CHF 41.6 million. For 2007 the Kuhn Group expects to see a slight increase in sales and a significant improvement in the operating result.

**Bucher Municipal** increased its sales of municipal vehicles by 22.9%, 11.4% adjusted for acquisition effects, to CHF 537.0 million. This pleasing organic growth of 10.5% was based on a distinct market revival as well as several large orders for sweeping vehicles and airport equipment. Order intake grew by 18.9% to CHF 536.3 million and the operating result increased by more than 50% from CHF 18.2 million to CHF 28.9 million. In the year under review, Bucher Municipal sold off its component manufacturing business in Niederweningen,

Switzerland, and this year the multi-purpose vehicle business of Bucher Schörfling in Italy. The disposal of these activities brings a reduction in sales of CHF 35 million in the current year. For 2007, after allowing for disposals, the division expects sales and operating results to come in at around the same level as last year.

**Bucher Process** posted sales of CHF 140.0 million, a reduction of 1.7% compared to the previous year. Order intake, however, increased by 2.2% to CHF 151.6 million. In France, the most important sales market for wine production plants, demand fell by 15%. Overall, business volumes in the wine and fruit juice plant sector remained stable, while there was a drop in sales in the drying technologies sector. The division nevertheless improved its operating result by 27.4% to CHF 10.7 million. For 2007 Bucher Process expects to see an increase in sales and a higher operating result.

**Bucher Hydraulics** continued the satisfactory business trend of the previous years thanks to brisk demand in almost all market sectors. Sales grew by 14.5% to CHF 307.7 million, while order intake was up by 19.8% to CHF 315.8 million. The operating result improved substantially by 44.9% and amounted to CHF 38.7 million, thereof, CHF 2.8 million were attributable to the sale of unconsolidated companies. The high volume of orders throughout the year meant that production facilities always worked to capacity, which contributed significantly to the good business development. Overall, the division anticipates that for 2007 sales will increase further and the operating result will reach the level of the previous year.

**Emhart Glass** generated CHF 331.5 million from sales of machinery and equipment for the manufacture of glass containers, thereby outperforming the previous year's high figure due to large orders by 3.2%. At CHF 353.9 million, order intake was up 12.0% compared to the previous year. All product groups contributed to this satisfactory development, and the division was able to increase its market share. The operating result of Emhart Glass improved by 40.4% to CHF 23.3 million despite the fact that the result was burdened by costs of CHF 5 million for the relocation of production activities from Neuss in Germany to Sweden and the US. In January 2007, the division acquired the US manufacturer of glass inspection

equipment ICS/Inex. Based on the strong market environment and this acquisition, Emhart Glass expects to see growth in sales and a higher operating result in 2007.

**Outlook for 2007** Bucher Industries is expecting the good economic climate to continue in the current year, with differences in the various business sectors. Assuming that exchange rates will remain stable, we expect an increase in overall sales and an improvement in the operating and group results.

**Dividend** In view of the good group result, the board of directors requests the annual general meeting of 12 April 2007 to approve payment of an increased dividend of CHF 2.50 per registered share. The previous year's dividend amounted to CHF 2.10. This proposal corresponds to a dividend payout ratio of 27.7%.

**Annual general meeting** The annual general meeting will take place on 12 April 2007 at 4:00 pm in the Mövenpick Hotel in Regensdorf. The board of directors requests the annual general meeting to elect Anita Hauser as a new board member for a term of office of three years and to re-elect the current members Thomas W. Bechtler and Rolf Broglie for a further term of office.

The Bucher Industries annual report is now available on the Internet at [www.bucherind.com](http://www.bucherind.com) and as an advanced copy for anyone attending the financial press and analyst conference. It will be available in print on 16 March 2007 together with an the invitation to the annual general meeting.

In 2007 Bucher Industries celebrates its 200<sup>th</sup> anniversary, from its beginnings as a blacksmith's shop through to its successful transformation into a globally active technology group with leading market positions in specialist areas of machinery and vehicle construction. The current range of activities includes specialized agricultural machinery, municipal vehicles, wine and fruit juice production plants, hydraulic components and production equipment for the glass container industry. The company is listed on the Swiss Stock Exchange (SWX: BUCN).

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**Enclosed:** Key figures for the group; consolidated balance sheet 2006

**Key figures for the group**

CHF million	2006	2005	% change	
				adjusted for currency, acquisition and divestment effects
Order intake	<b>2 163.3</b>	1 946.6	+11.1	+7.4
Net sales	<b>2 087.1</b>	1 948.3	+7.1	+3.6
Order book	<b>605.2</b>	523.7	+15.6	+13.9
Operating result before depreciation and amortization (EBITDA)	<b>184.6</b>	166.4	+10.9	
<i>as % of net sales</i>	<i>8.8%</i>	<i>8.5%</i>		
Operating result (EBIT)	<b>123.7</b>	117.8	+5.0	
<i>as % of net sales</i>	<i>5.9%</i>	<i>6.0%</i>		
Financial result	<b>12.9</b>	3.3	+290.9	
Income tax	<b>-41.1</b>	-35.0	+17.4	
Net result	<b>95.5</b>	86.1	+10.9	
<i>as % of net sales</i>	<i>4.6%</i>	<i>4.4%</i>		
Earnings per share in CHF	<b>9.55</b>	8.70	+9.8	
Number of employees at year end	<b>6 775</b>	6 874	-1.4	
Average number of employees during the year	<b>6 882</b>	6 836	+0.7	

**Consolidated balance sheet at 31 December 2006**

CHF million	2006	%	2005	%
<b>Assets</b>				
Cash and cash equivalents	<b>317.0</b>	17.2	216.1	12.9
Securities	<b>128.5</b>	7.0	131.9	7.9
Receivables	<b>518.5</b>	28.2	451.2	26.9
Inventories	<b>460.7</b>	25.0	454.0	27.1
Non-current assets	<b>415.0</b>	22.6	421.6	25.2
<b>Total assets</b>	<b>1 839.7</b>	100.0	1 674.8	100.0
<b>Liabilities and equity</b>				
Current liabilities	<b>896.4</b>	48.7	718.1	42.9
Non-current liabilities	<b>218.8</b>	11.9	318.2	19.0
Equity	<b>724.5</b>	39.4	638.5	38.1
<b>Total liabilities and equity</b>	<b>1 839.7</b>	100.0	1 674.8	100.0