

## Press release

Niederweningen, 22 March 2006

Financial media and analysts' conference on the 2005 financial year

### **Significant growth in sales and net result**

**Once again in 2005 Bucher Industries continued its upward trend in sales and earnings. Both internal growth and acquisitions contributed equally to the 19% increase in sales totalling CHF 1 948 million. Order intake of CHF 1 947 million was 9% above the previous year. Adjusted for acquisitions, the figure was 1% below the previous year. The group achieved an operating result of CHF 118 million, which represents a 29% increase. This success is based on the greater business volume, ongoing improvements in efficiency and the discontinuance of goodwill amortization. The 2005 net result of CHF 86 million surpassed the previous year's result by 58%.**

### **All in all a positive economic environment**

Demand during the year under review was brisk, especially in Central and Eastern Europe, Central and North America and China. In Western Europe, however, the market for agricultural machinery stagnated, and demand for wine production plants dropped. Raw material prices remained at their high level while the cost of energy continued rising. The recovery of the US dollar against the Euro and the Swiss franc had a positive impact on our competitiveness.

### **Significant growth in sales and net result**

Bucher Industries increased sales by 18.7% during the reporting year (18.2% adjusted for currencies) to CHF 1 948.3 million. Adjusted for currency and acquisitions, the increase came to 9.1%. Order intake amounting to CHF 1 946.6 million exceeded the previous year's figure by 8.6%. Adjusted for acquisitions and currency, and due to the slightly weaker demand of the second semester, the resulting figure was 1.1% below the previous year. The order book reached CHF 523.7 million and thus surpassed the prior-year figure by 9.0%; or 3.2% below

the 2004 figure adjusted for currency and acquisitions. The operating result of CHF 117.8 million was 29.2% up from the previous year. The significantly higher volume of business, measures for the reduction of costs and increased efficiency and the discontinuance of goodwill amortization all contributed to this. With the financial result of CHF 3.3 million and tax expenditures of CHF 35.0 million, the group boosted its net result by 58.3% to CHF 86.1 million.

Shareholders' equity grew by CHF 113.1 million to CHF 638.5 million and the equity ratio further improved from 35.2% to 38.1%. Operating free cashflow of CHF 61.8 million was below the figure of 2004 due to increased net working capital and a higher level of investment. Despite the acquisitions and the strong growth in sales, net liquidity only dropped by CHF 22.8 million to CHF 69.0 million. The acquisitions of Kuhn Metasa and Johnston brought 1 064 new employees into the group. The total number of employees at the end of 2005 came to 6 874 (2004: 5 782).

### **Divisions**

**Kuhn Group** increased sales by 9.2% to CHF 777.8 million. Kuhn Metasa contributed 1.5% to this growth. The operating result reached CHF 65.0 million and thus topped the previous year's figure by 10.5%. The discontinuance of goodwill amortization amounting to CHF 8.0 million and the solid business activities in North America made a considerable contribution towards improvement. In Central and Eastern Europe the division gained market share. In Western Europe investment in agricultural machinery stagnated due to increased agricultural production costs, uncertainties about the impacts of the EU agricultural policy and the drought affecting large sections of Western and Southern Europe. In Brazil a serious drought led to heavy harvest losses. For 2006 Kuhn Group anticipates somewhat reduced sales compared with 2005 and an operating result largely within the range of the year under review.

**Bucher Municipal** the leading provider of municipal vehicles achieved a 54.1% growth spurt to CHF 437.1 million through internal growth and the acquisition of Johnston Sweepers Ltd, UK. The division managed an operating result of CHF 18.2 million and exceeded the prior-

year figure by CHF 12.1 million. Bucher Municipal achieved this gratifying internal growth of 4.2% by successfully tendering for large contracts for compact sweepers and airport equipment. With the exception of the UK, demand in Europe stagnated. Johnston held its strong market position in the UK and showed good sales development in the second half of 2005. In 2006 the integration of Johnston and the reorientation of Bucher Municipal will entail additional one-off costs, which can largely be offset. Owing to the consolidation of Johnston for the entire year, the division is forecasting a growth in sales and an operating result similar to that of 2005.

**Bucher Process** achieved a growth in sales of 7.3% to CHF 142.4 million with the manufacture of plants for the production of wine and fruit juice. The operating result amounted to CHF 8.4 million, corresponding to a 55.6% increase over the prior-year figure. The fruit juice plants had their best results in 10 years and the division's drying technologies enjoyed solid demand. The market for wine production plants dropped and was characterized by high price pressures. The division succeeded in gaining market share with its innovative products, even in this environment. This very pleasing result represents a seamless follow-on to the successful turnaround of the previous year. For 2006 Bucher Process anticipates a slight increase in sales and a higher operating result.

**Bucher Hydraulics** achieved sales of CHF 268.8 million and growth of 10.3%. The operating result of CHF 26.7 million was 27.8% above the division's 2004 result and thereby set a new milestone. The positive market environment, stronger sales in the important agricultural machinery market and the introduction of a new range of valves and systems engineering contributed to the solid business results. New customers were acquired, thanks to comprehensive expertise in the wind energy applications paired with superior valve technology. Demand for hydraulic solutions for passenger elevators also developed most satisfactorily. For 2006 Bucher Hydraulics anticipates continued sales growth and an operating result largely within the scope of the reporting year.

**Emhart Glass** manufacturer of machinery and plants for the production of glass containers profited from its high order book at the beginning of the year under review and achieved a 19.8% growth in sales amounting to CHF 321.3 million. The operating result of CHF 16.6 million was 9.8% below the prior-year figure. The operating result was impacted by one-off costs for the settlement of a legal dispute in the single-digit millions and higher development costs of CHF 4.6 million for thermally strengthened glass containers. Demand is expected to stabilize during the course of the year, but the anticipated continued increase in market share will not be able to fully compensate for the exceptionally large sales orders of the previous year. For that reason Emhart Glass anticipates a drop in sales for 2006, accompanied nevertheless by an improved operating result.

**Prospects 2006** With the exception of the agricultural machinery sector, Bucher Industries anticipates a cyclically positive environment. Due to the strong growth outside of continental Europe, the impact of currency fluctuation will increase. Prices for raw material and energy could remain at their current level. All in all, Bucher Industries thus anticipates, that 2006 sales, operating and net result are to be largely within the scope of the figures for 2005.

**Dividends** On the basis of the present net result, the board of directors is proposing to the annual general meeting of 25 April 2006 that the dividend be increased to CHF 2.10 per registered share. This proposal corresponds to a dividend payout ratio of 25.8%. Upon acceptance of this proposal, payment of the dividend will take place on 28 April 2006.

The annual general meeting will take place on 25 April 2006 at 4:00 p.m. at the Mövenpick Hotel in Regensdorf. The board of directors will propose the re-election of Rudolf Hauser and Claude R. Cornaz for another three-year term each and will propose the election of Heinrich Spoerry and Kurt E. Siegenthaler to the board of directors.

The Bucher annual report is available on the internet as of today at [www.bucherind.com](http://www.bucherind.com) and is also available as an advance publication for participants attending the financial media and financial analysts' conference. Together with the invitation to the annual general meeting a

summary of the annual report will be sent to our shareholders on 31 March 2006. At the same date the complete printed version can be ordered from Bucher Industries.

Bucher Industries is a global technology group with leading market positions in specialty areas of mechanical and vehicle engineering. The company's operations include specialized agricultural machinery, municipal vehicles, wine and fruit juice production plants, hydraulic components, and production equipment for the glass container industry. Bucher Industries' shares are traded on SWX Swiss Exchange (SWX: BUCN).

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enclosure: Key figures of the group; 2005 consolidated balance sheet

**Group key figures**

in CHF million	2005	2004	Change in %	
				adjusted for currencies and acquisitions
Order intake	<b>1 946.6</b>	1 793.2	+8.6	-1.1
Net sales	<b>1 948.3</b>	1 640.9	+18.7	+9.1
Order book	<b>523.7</b>	480.3	+9.0	-3.2
Operating result before depreciation and amortization (EBITDA)	<b>166.4</b>	147.8	+12.6	
Operating result (EBIT)	<b>117.8</b>	91.2	+29.2	
<i>in % of net sales</i>	<i>6.0%</i>	<i>5.6%</i>		
Financial result	<b>3.3</b>	-9.5		
Income tax	<b>-35.0</b>	-27.3	+28.2	
Net result	<b>86.1</b>	54.4	+58.3	
<i>in % of net sales</i>	<i>4.4%</i>	<i>3.3%</i>		
Earnings per share in CHF	<b>8.70</b>	5.51	+57.9	
Number of employees at year end	<b>6 874</b>	5 782	+18.9	+0.5
Number of employees (annual average)	<b>6 836</b>	5 795	+18.0	+1.8

**Consolidated balance sheet at 31 December 2005**

in CHF million	2005	%	2004	%
<b>Assets</b>				
Cash and cash equivalents	<b>216.1</b>	12.9	296.6	19.9
Securities	<b>131.9</b>	7.9	108.1	7.2
Accounts receivable	<b>449.3</b>	26.8	368.8	24.7
Inventories	<b>455.9</b>	27.2	397.8	26.6
Non-current assets	<b>421.6</b>	25.2	322.4	21.6
<b>Total assets</b>	<b>1 674.8</b>	100.0	1 493.7	100.0
<b>Liabilities</b>				
Current liabilities	<b>718.1</b>	42.9	656.9	44.0
Non-current liabilities	<b>318.2</b>	19.0	311.4	20.8
Equity	<b>638.5</b>	38.1	525.4	35.2
<b>Total liabilities</b>	<b>1 674.8</b>	100.0	1 493.7	100.0