

Press Release

Bucher Group with increase in operating results, but lower net annual profits and special charges

The Bucher Group, manufacturer of machinery and vehicles, increased its operating results for the financial year 1998 by 3.8% to 76.2 million CHF, but corporate results decreased to 47.7 million CHF. After special charges of 118.6 million CHF including amortisation of goodwill as well as one-off restructuring costs, the annual accounts closed with a book loss for 1998 of 70.9 million CHF. The group's turnover rose by 8.3% to 1320 million CHF.

Bucher Group		1998	1997	Change in %
Net sales	mill. CHF	1320.1	1218.8	+8.3
Operating result before interest and taxes	mill. CHF	76.2	73.4	+3.8
in % of net sales		5.8	6.0	
Net income for the year before special charges	mill. CHF	47.7	59.8	-20.2
in % of net sales		3.6	4.9	
Net income for the year after special charges	mill. CHF	-70.9	59.8	
Cash flow	mill. CHF	90.0	124.1	-27.5
in % of net sales		6.8	10.2	
Capital expenditure	mill. CHF	40.8	51.6	-20.9
Number of employees at end of year		5748	4507	+27.5
Number of employees, annual average		4909	4504	+9.0

The higher operating results were achieved by operating improvements in most of the companies of the group despite the poor results of the Machinery and the Food Technology Division. Special charges of one-off nature were included in the accounts, including a special amortisation of goodwill included in the purchase price of Emhart Glass. This was justified on the grounds of the significant changes to the market environment that have occurred since the contract was concluded in mid-1998. A further such charge was for the one-off restructuring costs of the Machinery Division.

The acquisition of Emhart Glass in the fourth quarter of 1998 was the main reason for the pleasing increase of group sales. In the hitherto existing areas, overall sales remained at the level of the previous year. Agricultural machinery, vehicles and hydraulics developed well despite a difficult environment. On the other hand, ceramics machinery and fruit juice plant registered a marked decline in sales.

In the current financial year the management are anticipating a further increase in sales volume and a significant improvement in profits. More details on the annual accounts of the group and the holding company as well as on the prospects of the business will be presented at the press conference of 18 May 1999.

The Board of Directors proposes to the annual general meeting of 10 June 1999 distribution of a dividend of 22.— CHF per bearer share, and 4.40 CHF per registered share. It also proposes a reduction and reimbursement of the share capital by 15.— CHF per bearer share and 3.— CHF per registered share. In the previous year a dividend of 37.— CHF per bearer share and 7.40 CHF per registered share was distributed. The dividend will be payable from 15 June 1999. Reimbursement of the share capital to the shareholders is anticipated for the beginning of September 1999.