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Press Release

Press Conference: Bucher Holding AG Financial Results

A pleasing year in 1997

The Bucher group, under the holding company Bucher Holding AG of Niederweningen, is pleased to report that 1997 has been a good year. Group turnover and profits have far outstripped the figures for the previous year. All five divisions have seen an increase in turnover. The rise in profits is due mainly to the improved operating results recorded by most of the business units. The proportion of the group's employees based in Switzerland has increased to 20 % following the acquisition of new companies. The Swiss market accounts for 12 % of group turnover. The management expect to see further a favourable course of business in the current year.

Group turnover increased by 9 % to 1 219 million CHF (1996: 1 120 million CHF). If exchange rates had remained constant, the increase would have been only 5 %. The group's newly acquired companies, including Hydrotechnik Frutigen AG and Laeis-Heimsoth GmbH, contributed about 2 % to group turnover.

The Agricultural Equipment division achieved sales of 531 million CHF, an increase of 6 %, despite the fact that international demand was leveling off. This represents 43 % of group turnover. The Vehicles division was able to increase its turnover by 3 % to 254 million CHF in the face of tough conditions in the market for municipal vehicles. This corresponds to 21 % of group turnover. International growth in the consumption of high-quality fruit juices and wines helped the turnover of the Food Technology division to rise by 26 % to 134 million CHF, or 11 % of group turnover. The Hydraulics division saw a 20 % rise in turnover to 163 million CHF. About half of this increase is attributable to the inclusion of Hydrotechnik Frutigen AG in the results. This division's contribution to group turnover increased to 13 %. The Machinery division's turnover increased by 1 % to 159 million CHF, or 12 % of group turnover.

Annual profits rose by 21 % to 59.8 million CHF. Cash-flow increased by 2.7 % to 124.1 million CHF. The profit margin of 4.9 % of net annual income, and the cash-flow margin of 10.2 %, mean that the Bucher group has achieved its income targets. The operating profit of 73.4 million CHF is 16 % higher than the figure for the previous year. However, the operating profit margin of 6.0 % is not yet in line with management expectations. In particular, there is potential for improvement in the business units of the Machinery division, where steps have already been taken to introduce appropriate restructuring measures.

Based on trends so far this year, the management are confidently expecting to see a further increase in turnover and income.