



Bucher Industries increased net result by 29%

At a glance

Key figures of the group

million CHF	January - June 2004	in % of net sales	January - June 2003	in % of net sales	changes in %
Incoming orders	870.0		705.9		+ 23.2
Net sales	814.4	100.0	779.9	100.0	+ 4.4
Order book	386.3		300.3		+ 28.6
Operating result (EBITDA)	63.5	7.8	62.7	8.0	+ 1.3
Operating result (EBIT)	35.2	4.3	31.1	4.0	+ 13.2
Net result	18.3	2.2	14.2	1.8	+ 28.9
Operating free cash flow	0.5		- 51.4		n.a.
Net debt as of 30 June	36.4		153.7		- 76.3
Net operating assets (NOA) as of 30 June	534.1		620.6		- 13.9
Earnings per bearer share in CHF	9.38		7.32		+ 28.1
Number of employees as of 30 June	5844		5938		- 1.6

Key figures by divisions

million CHF	Incoming orders January - June		Net sales January - June		Order book 30 June		Operating result (EBIT) January - June		Number of employees 30 June	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Kuhn Group	309.2	258.8	403.7	384.6	68.0	61.3	31.8	33.8	2561	2507
Bucher Automotive	146.4	109.6	127.8	115.8	75.5	43.5	1.7	1.1	759	804
Bucher Foodtech	83.2	84.3	51.0	46.9	55.0	60.5	- 2.9	- 4.0	608	574
Bucher Hydraulics	131.1	108.7	125.2	106.7	43.4	37.4	10.5	4.3	999	982
Emhart Glass	196.0	124.8	107.4	117.6	144.4	84.1	1.2	2.4	845	891

Bucher Industries increased net result by 29%

Bucher Industries increased net sales by 4% to 814 million CHF and incoming orders by 23% to 870 million CHF for the first six months of 2004. The operating result rose by 13% to 35 million CHF, and the net result increased by 29% to 18 million CHF.

Recovery in demand

Compared to the first six months of 2003, the demand recovered in all divisions of Bucher Industries, although with considerable regional variations. Business development in agricultural machinery in North America was especially positive. Sizeable orders from European customers for container glass production plants and municipal vehicles and the generally higher demand for hydraulic components contributed significantly to the substantial volume of incoming orders. Capacity utilization is secured by the marked increase in the order book. Due to the continued weak U.S. dollar, the margins on exports to countries tied to the U.S. dollar remained under pressure. Product costs were affected by the considerable rise in steel and energy prices. However, price adjustments could be introduced only partially and with delay.

Improved profitability

Bucher Industries reported net sales of 814.4 million CHF, representing an increase of 4.4% over the same period of last year (2.4% adjusted for currency effects, and 3.2% adjusted for currency, acquisition and divestiture effects). Incoming orders rose by 23.2% to 870.0 million CHF. Due to several large orders the order book grew by 28.6% to 386.3 million CHF. The operating result amounted to 35.2 million CHF, and was up 13.2%. The clear improvement in the operating result of Bucher Hydraulics more than compensated the slight decrease at Kuhn Group and Emhart Glass. The profitability of Bucher Industries improved.

The financial result improved by 2.5 million CHF to minus 1.6 million CHF. Due to higher profitability, tax expenditures increased to 15.3 million CHF (vs. 13.0 million CHF of the period of last year). The consolidated net result of 18.3 million CHF exceeded the previous half-year figure by 28.9%.

Sound financial situation

Operating free cash flow of 0.5 million CHF was 51.9 million CHF higher than in the same period of last year. As a result of specific efforts, net operating assets were reduced by 86.5 million CHF from last year to 534.1 million CHF. In spite of the higher seasonal requirements, the increase of 7.2 million CHF in net debt to 36.4 million CHF since 31 December 2003 was insignificant. Compared to 30 June 2003, net debt was reduced by 117.3 million CHF.

Business development of divisions

Kuhn Group

Although the European market environment was somewhat challenging, Kuhn Group was able to achieve a 5.0% growth in net sales (3.3% adjusted for currency effects) to 403.7 million CHF. Incoming orders amounted to 309.2 million CHF, a rise of 19.5%. The operating result decreased by 5.9% to 31.8 million CHF. The weaker demand in Europe was more than compensated by the successful sales in the non-European markets. Especially in North America, the positive demand for Kuhn products contributed to a further consolidation of the market position. The substantial price increases for steel and energy had a negative effect in the first six months of 2004. Although the full impact of the higher costs will be felt in the second part of the year, higher product prices will partly compensate for this development. Therefore, for the fiscal year 2004 Kuhn Group expects sales to remain at the level of last year but a lower operating result.

Bucher Automotive

Incoming orders received by Bucher Automotive in the first six months of 2004 grew significantly by 33.6% to 146.4 million CHF. The division reported sales of 127.8 million CHF,

representing an increase of 10.4% (8.7% adjusted for currency effects, and 2.7% adjusted for currency, acquisition and divestiture effects), and an increase of 0.6 million CHF in the operating result to 1.7 million CHF. Except for a few large orders, the market for municipal vehicles remained at last year's level with continued considerable competitive pressure. In the first six months, Bucher Automotive won several public tenders for compact sweepers and truck-mounted sweepers as well as airport service equipment. Especially noteworthy is that Bucher Automotive was awarded the contract for a large tender of the City of Berlin, which included 63 compact sweepers and 33 truck-mounted sweepers. The majority of these orders will make an effect on sales in the second half of 2004. For the full fiscal year 2004, Bucher Automotive anticipates a slight increase in sales and an improved operating result.

Bucher Foodtech

With its production plants for wine and fruit juice, Bucher Foodtech was able to rise sales by 8.7% (6.9% adjusted for currency effects), to 51.0 million CHF. The positive development in incoming orders during the first quarter 2004 failed to materialize in the second quarter, and therefore, the amount of 83.2 million CHF in the first six months of 2004 was 1.3% below the same period in the previous year. The operating result of Bucher Foodtech was negative in the first six months due to seasonal effects. However, compared to the same period of last year, it improved by 1.1 million CHF to minus 2.9 million CHF. The lively demand from China and Poland for fruit juice production plants contributed considerably to the positive sales development. The market for wine production plants, on the other hand, stagnated in the northern hemisphere and, especially in France, it declined significantly. Exports of wine production

plants to the United States and the southern hemisphere were encouraging. Although the margins were adversely affected by the high steel prices, the operating loss was further reduced from the comparable period of last year. For the full fiscal year 2004, Bucher Foodtech expects to achieve sales in the range of last year and a return to profitability.

Bucher Hydraulics

All key figures of Bucher Hydraulics increased significantly. Sales grew by 17.3% (15.1% adjusted for currency effects) to 125.2 million CHF, and incoming orders in the amount of 131.1 million CHF topped the amount reported last year by 20.6%. The operating result rose by 6.2 million CHF to 10.5 million CHF. In addition to the general economic recovery, the demand grew especially in the markets for construction and agricultural machinery and for material handling. The demand for mobile hydraulics was particularly lively in Germany, the United States and in China. Capacity rates were high due to the intensified business development, and the short delivery times proved to be challenging. The division was able to manage the situation by the flexible use of all capacities and the commitment of its employees. For the full fiscal year 2004, Bucher Hydraulics expects both sales and the operating result to increase considerably.

Emhart Glass

In the first six months of 2004, incoming orders of Emhart Glass increased by 57.1% to 196.0 million CHF. Net sales of 107.4 million CHF were 8.7% (12.1% adjusted for currency effects) below the amount of the period of previous year. The operating result amounted to 1.2 million CHF (vs. 2.4 million CHF in the first six months 2003). During the reporting period, Emhart Glass obtained three large European orders totaling approx. 80 million

CHF, which will make an effect on sales in the next three years. Demand for the new Veritas inspection machines developed favorably. The low capacity rates in the first quarter 2004 negatively affected the operating result for the first six months of 2004. However, owing to the good capacity utilization in the second part of the year, Emhart Glass projects sales and the operating result for the year 2004 to remain at the level of last year.

Outlook 2004

No significant changes in the economic environment are expected in the second half of the year. Uncertainties exist with regard to currency developments, oil prices, interest rates and raw material prices. The full magnitude of the soaring steel and energy prices will be felt in the second part of the year. All divisions are focusing their efforts on increasing their profitability without jeopardizing the strong position in their respective markets. For fiscal year 2004 we expect net sales to remain in the range of last year and anticipate a further improvement in the operating and net result.

Niederweningen, 17 August 2004



Rudolf Hauser
Chairman of the Board



Philip Mosimann
Chief Executive Officer

Consolidated financial statement

Consolidated balance sheet

million CHF	30 June 2004	%	30 June 2003	%	31 December 2003	%
Cash and cash equivalents	191.0	13.5	241.3	15.9	197.0	14.0
Securities	116.5	8.2	101.3	6.7	113.7	8.1
Trade accounts receivable	323.1	22.8	328.3	21.7	295.6	21.1
Other accounts receivable	43.3	3.0	46.6	3.1	42.9	3.1
Inventories	404.7	28.6	428.0	28.3	396.3	28.3
Current assets	1078.6	76.1	1 145.5	75.7	1 045.5	74.6
Long-term accounts receivable	24.9	1.7	26.6	1.8	24.1	1.7
Deferred tax assets	16.5	1.2	13.9	0.9	18.0	1.3
Financial assets	16.6	1.2	22.7	1.5	16.7	1.2
Tangible fixed assets	221.6	15.6	227.8	15.0	229.5	16.4
Intangible assets	59.2	4.2	77.9	5.1	67.6	4.8
Fixed assets	338.8	23.9	368.9	24.3	355.9	25.4
Assets	1417.4	100.0	1 514.4	100.0	1 401.4	100.0
Financial liabilities	112.8	8.0	313.1	20.7	103.4	7.4
Trade creditors	213.4	15.1	192.9	12.7	193.7	13.8
Advance payments from customers	57.7	4.1	52.8	3.5	115.6	8.3
Taxes payable	20.6	1.4	20.8	1.4	14.9	1.1
Social security payable	20.7	1.5	21.6	1.4	21.5	1.5
Provisions	63.6	4.5	73.6	4.9	60.7	4.3
Other liabilities	132.5	9.3	132.6	8.7	103.7	7.4
Short-term liabilities	621.3	43.9	807.4	53.3	613.5	43.8
Financial liabilities	231.1	16.3	183.2	12.1	236.5	16.9
Provisions	36.0	2.5	35.5	2.4	37.9	2.7
Provisions for deferred taxes	21.4	1.5	19.8	1.3	21.6	1.5
Other liabilities	14.6	1.0	–	–	4.3	0.3
Long-term liabilities	303.1	21.3	238.5	15.8	300.3	21.4
Minority interests	5.2	0.4	5.2	0.3	5.2	0.4
Share capital	2.1	0.1	2.1	0.1	2.1	0.1
Reserves	467.4	33.0	447.0	29.6	443.8	31.7
Net result	18.3	1.3	14.2	0.9	36.5	2.6
Shareholders' equity	487.8	34.4	463.3	30.6	482.4	34.4
Liabilities and shareholders' equity	1417.4	100.0	1 514.4	100.0	1 401.4	100.0

Consolidated income statement

million CHF	January - June 2004	%	January - June 2003	%
Net sales	814.4	100.0	779.9	100.0
Changes in inventories	13.3	1.6	- 2.0	- 0.3
Other operating revenues	6.4	0.8	8.8	1.1
Operating revenue	834.1	102.4	786.7	100.8
Material expenses	- 415.4	- 51.0	- 385.9	- 49.5
Personnel expenses	- 213.7	- 26.2	- 206.8	- 26.5
Other operating expenses	- 141.5	- 17.4	- 131.3	- 16.8
Operating result before depreciation and amortization (EBITDA)	63.5	7.8	62.7	8.0
Depreciation	- 19.5	- 2.4	- 18.9	- 2.4
Amortization	- 8.8	- 1.1	- 12.7	- 1.6
Operating result (EBIT)	35.2	4.3	31.1	4.0
Financial result	- 1.6	- 0.2	- 4.1	- 0.5
Result before taxes	33.6	4.1	27.0	3.5
Income taxes	- 15.3	- 1.9	- 13.0	- 1.7
Net result incl. minority interests	18.3	2.2	14.0	1.8
Minority interests	-	-	0.2	-
Net result	18.3	2.2	14.2	1.8
Earnings per bearer share in CHF	9.38		7.32	
Diluted earnings per bearer share in CHF	9.36		7.32	

Consolidated cash flow statement

million CHF	January - June 2004	January - June 2003
Gross cash flow	51.6	41.4
Cash flow from operating activities	16.1	- 37.3
Cash flow from investing activities	- 20.0	- 22.0
Cash flow from financing activities	0.1	- 53.6
Exchange rate differences	- 2.2	3.8
Changes in cash and cash equivalents	- 6.0	- 109.1

Consolidated equity statement

million CHF	Share capital	Share premium reserves	Retained earnings	Currency conversion reserves	Treasury shares	Fair value adjustments on financial instruments	Total shareholders' equity	Minority interests
Position as of 31.12.2002	2.1	66.6	450.9	- 52.8	- 44.6	13.2	435.4	5.2
Dividend	-	-	- 10.6	-	0.7	-	- 9.9	-
Net result	-	-	14.2	-	-	-	14.2	- 0.2
Change in treasury shares	-	-	-	-	0.1	-	0.1	-
Change in minority interests	-	-	-	-	-	-	-	0.2
Change in currency conversion reserves	-	-	-	22.0	-	-	22.0	-
Change in fair value of financial instruments	-	-	-	-	-	1.5	1.5	-
Position as of 30.6.2003	2.1	66.6	454.5	- 30.8	- 43.8	14.7	463.3	5.2
Position as of 31.12.2003	2.1	66.6	476.9	- 37.2	- 43.0	17.0	482.4	5.2
Dividend	-	-	- 9.7	-	-	-	- 9.7	-
Net result	-	-	18.3	-	-	-	18.3	-
Change in treasury shares	-	-	- 1.6	-	3.5	-	1.9	-
Change in minority interests	-	-	-	-	-	-	-	-
Change in currency conversion reserves	-	-	-	- 5.4	-	-	- 5.4	-
Change in fair value of financial instruments	-	-	-	-	-	0.3	0.3	-
Position as of 30.6.2004	2.1	66.6	483.9	- 42.6	- 39.5	17.3	487.8	5.2

Foreign currency exchange rates

	Income statement average rates		Balance sheet rates	
	Jan - June 2004	Jan - June 2003	30 June 2004	30 June 2003
EUR	1.5506	1.4918	1.5211	1.5394
USD	1.2630	1.3538	1.2460	1.3466
SEK	0.1692	0.1626	0.1663	0.1676
GBP	2.2933	2.1879	2.2819	2.2408

Notes to the consolidated financial statements

Corporate accounting principles

The unaudited interim statement for the period ending 30 June 2004 was prepared in accordance with the group accounting principles detailed in the 2003 Annual Report as well as with the International Financial Reporting Standards (IFRS) and IAS 34 «Interim Financial Reporting».

Changes in the scope of consolidation

The acquisitions of the tractor trading business Case IH and Steyr in 2003 and the Snowtec activities contributed a total of 12.4 million CHF to net sales in the first six months. The decrease in net sales attributable to the divestitures of Laeis Bucher Technology (as of 31 December 2003) and the power mower activities (as of 1 October 2003) amounted to 18.3 million CHF.

Financial and profit situation

Since 31 December 2003, net operating assets have increased by 15.3 million CHF to 534.1 million CHF, but decreased 86.5 million CHF compared to 30 June 2003. Total assets remained stable since the end of 2003, although they are down by approximately 100 million CHF from 30 June 2003 due to optimized financial structures. Net debt increased marginally from the year-end by 7.2 million CHF to 36.4 million CHF (30 June

2003: 153.7 million CHF), representing a gearing (net debt in % of equity) of 7%. Shareholders' equity as of 30 June 2004 amounted to 487.8 million CHF (31 December 2003: 482.4 million CHF). With an equity ratio of 34% (unchanged from the end of 2003) and a long-term portion of total debt of 67%, the group's financial structure is very sound. Intangible assets decreased to 59.2 million CHF (31 December 2003: 67.6 million CHF), of which 32.7 million CHF (31 December 2003: 37.8 million CHF) in goodwill from acquisitions. Goodwill represents a negligible 7% of shareholders' equity. The distinct improvement in the operating free cash flow of minus 51.4 million CHF to 0.5 million CHF was primarily due to the lower increase in net working capital. During the reporting period, the number of treasury shares decreased by 5 851 to 162 354.

The 4.4% rise in net sales is the result of an internal growth of 3.2%, an acquisition effect of 1.6%, a divestiture effect of minus 2.4%, and a positive currency effect of 2.0%. EBITDA was up slightly by 0.8 million CHF to 63.5 million CHF. The higher ratio of material expenses of 49.8% of operating revenue (first six months 2003: 49.1%) is due, in part, to the significant increases in raw material prices, especially steel and energy. Although personnel expenses improved to 25.6% of

operating revenue (first six months 2003: 26.3%), the EBITDA margin fell slightly to 7.8% from 8.0% for the same period a year ago. Goodwill for Emhart Glass was fully amortized as of the end of 2003, and therefore, total amortization decreased by 3.9 million CHF to 8.8 million CHF (thereof amortization of goodwill 5.2 million CHF). For the full year 2004, we expect amortization of goodwill to the amount of approximately 11 million CHF, which will be eliminated starting in fiscal year 2005 due to the changes in the IFRS reporting regulations. While depreciation remained virtually unchanged, EBIT increased by 4.1 million CHF to 35.2 million CHF, representing an EBIT margin of 4.3% (vs. 4.0% in the period of the previous year). The financial result benefited especially from realized gains on securities and lower interest expenses. Tax expenditures of 15.3 million CHF (first six months 2003: 13.0 million CHF) reflect the amount of taxes actually paid or accrued without capitalization of potentially deductible tax loss carry forwards. The tax rate in the first six months of 2004 was 45.5% (first six months 2003: 48.1%). For the full year, we anticipate a tax rate of approximately 37%. Net result after minority interests amounted to 18.3 million CHF (2.2% of net sales) vs. 14.2 million CHF (1.8% of net sales) in the previous year.

Operating free cash flow

million CHF	Jan - June 2004	Jan - June 2003	+/-
Cash flow from operating activities	16.1	- 37.3	+ 53.4
Net operating investments	- 15.6	- 14.1	- 1.5
Operating free cash flow	0.5	- 51.4	+ 51.9

Agenda 2004/2005

Press release on group net sales 3rd quarter 2004	28 October 2004
Press release on group net sales 2004	3 February 2005
Financial press conference	17 March 2005, 8.30 am
Presentation for financial analysts	17 March 2005, 2.30 pm
Mailing of Annual Report 2004	29 March 2005
Annual General Meeting (Mövenpick Hotel, Regensdorf)	26 April 2005, 4.00 pm
Press release on group net sales 1st quarter 2005	26 April 2005
Half-Year Report 2005	16 August 2005
Press release on group net sales 3rd quarter 2005	27 October 2005



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