



[Highlights >](#)

Highlights

Group

CHF million			% change	
	2005	2004		
Order intake	1946.6	1793.2	+ 8.6	
Net sales	1948.3	1640.9	+ 18.7	
Order book	523.7	480.3	+ 9.0	
Operating result before depreciation and amortization (EBITDA)	166.4	147.8	+ 12.6	
As % of net sales	8.5%	9.0%		
Operating result (EBIT)	117.8	91.2	+ 29.2	
As % of net sales	6.0%	5.6%		
Financial result	3.3	-9.5		
Income tax	-35.0	-27.3	+ 28.2	
As % of result before tax	28.9%	33.4%		
Net result for the year	86.1	54.4	+ 58.3	
As % of net sales	4.4%	3.3%		
Earnings per share in CHF	8.70	5.51	+ 57.9	
Capital expenditure	51.7	36.6	+ 41.3	
Operating free cash flow	61.8	119.6	-48.3	
Development expenses	63.4	54.1	+ 17.2	
Net operating assets (NOA)	558.6	439.5	+ 27.1	
Return on net operating assets (RONOA)	14.8%	12.1%		
Net liquidity	69.0	91.8	-24.8	
Total assets	1674.8	1493.7	+ 12.1	
Equity	638.5	525.4	+ 21.5	
Equity ratio	38.1%	35.2%		
Return on equity (ROE)	14.8%	10.7%		
Number of employees at year end	6874	5782	+ 18.9	
Average number of employees during year	6836	5795	+ 18.0	
Net sales per employee	CHF 1000	285.0	283.2	+ 0.6

Divisions

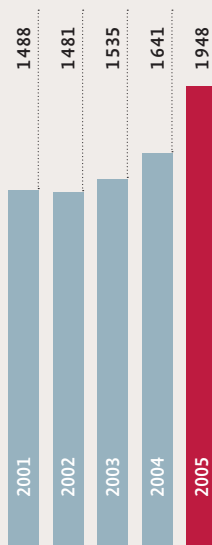
CHF million	Order intake		Net sales		Order book		Operating result (EBIT)		Number of employees at 31.12.	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Kuhn Group	757.0	751.7	777.8	712.2	180.6	200.9	65.0	58.8	2846	2531
Bucher Municipal	450.9	285.8	437.1	283.6	123.8	60.0	18.2	6.1	1528	799
Bucher Process	148.4	131.9	142.4	132.7	28.0	22.0	8.4	5.4	529	527
Bucher Hydraulics	263.7	251.9	268.8	243.7	46.1	47.4	26.7	20.9	1036	990
Emhart Glass	316.0	362.0	321.3	268.1	144.4	149.7	16.6	18.4	849	845
Other/consolidation	10.6	9.9	0.9	0.6	0.8	0.3	-17.1	-18.4	86	90
Total	1946.6	1793.2	1948.3	1640.9	523.7	480.3	117.8	91.2	6874	5782

Net sales

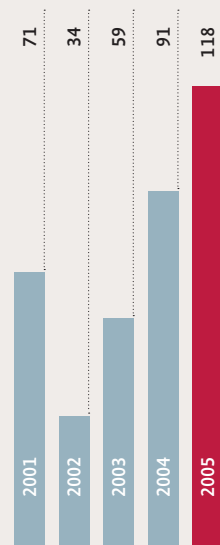


Five-year summary

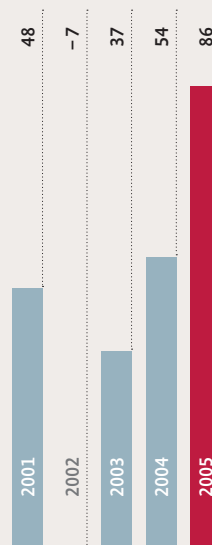
Net sales
CHF million



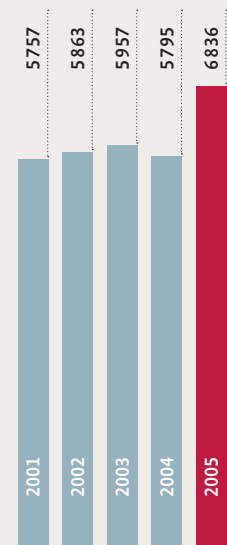
Operating result (EBIT)
CHF million



Net result
CHF million



Number of employees,
annual average



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Report to shareholders

Bucher Industries continued to experience growth in both sales and earnings during the 2005 business year. Sales rose by 19% to CHF 1 948 million. This increase can be equally attributed to internal growth and to acquisitions. Order intake amounting to CHF 1 947 million was 9% above the prior-year figure; adjusted for acquisitions the figure was 1% down. The group managed an operating result of CHF 118 million, 29% higher than the previous year. This success was due to higher business volume, ongoing increases in efficiency and no goodwill amortization. The annual result of CHF 86 million exceeded the previous year's figure by 58%.

A friendly overall market environment The markets of Bucher Industries were generally characterized by a friendly economic environment. Particularly brisk demand came from Central and Eastern Europe, Central and North America as well as from China. In Western Europe, by contrast, interest in agricultural machinery stagnated and demand in wine production plants was lower. The general tendency towards softening of demand in the second half year caused the acquisition-adjusted order intake to hover around the previous year's level. Prices for raw materials were steady at a high level, while those for energy continued to rise. The recovery of the US dollar against the Euro and Swiss franc had a positive impact on our competitiveness.

High growth in sales and earnings Sales by Bucher Industries rose by 18.7%, or 18.2% adjusted for currency effects to CHF 1 948.3 million in the year under review. Adjusted for currency and acquisition effects, the increase amounted to 9.1%. Order intake came to CHF 1 946.6 million and exceeded last year's figure by 8.6%. Adjusted for acquisition and currency effects, the figure was lower by 1.1%. The order book reached CHF 523.7 million and thus exceeded the prior-year figure by CHF 43.4 million. The group achieved an operating result of CHF 117.8 million. The increase of 29.2% was thanks to the sharply increased business volume, the implementation of measures already introduced in the previous years for the reduction of costs and increase in operational efficiency and ceased goodwill amortization. With a financial result of 3.3 million and tax expenditures of CHF 35.0 million, the group increased its net result by 58.3% to CHF 86.1 million.

Balance sheet stronger despite acquisitions Shareholders' equity grew by CHF 113.1 million to total CHF 638.5 million, while the equity ratio further improved from 35.2% to 38.1%. Return on equity rose from 10.7% to 14.8%. Net operating assets increased by a total of CHF 119.1 million to CHF 558.6 million as the result of acquisitions and due to the growth in sales. The returns on operating assets nevertheless improved from 12.1% to 14.8% and net liquidity was only lowered by CHF 22.8 million to CHF 69.0 million. Operating free cashflow of CHF 61.8 million was below the prior-year figure due to increased net operating working capital and a higher level of capital expenditure.

Kuhn Group The division increased sales in a generally weakened market environment by 9.2% to CHF 777.8 million. The acquisition of Kuhn Metasa, Brazil, contributed 1.5% to this growth. The operating result reached CHF 65.0 million, thus beating the prior-year figure by 10.5%. Good business developments in North America contributed significantly to the improvement. The division was also able to gain market share in the agricultural growth markets of Central and Eastern Europe. In Western Europe, by contrast, investment volume in agricultural machinery stagnated due to increased production costs for farming, uncertainty concerning the impacts of the EU agricultural policy and the drought in many areas of Western and Southern Europe. The division expanded its presence in Eastern Europe in concert with its own, successful sales organization in Poland, and opened a sales subsidiary in the Ukraine.

Bucher Municipal The world's leading provider of municipal vehicles increased sales by 54.1%, or 4.2% adjusted for acquisition effects to CHF 437.1 million. This was thanks to internal growth and the acquisition of Johnston Sweepers Ltd, UK. The division's operating result grew from CHF 6.1 million to CHF 18.2 million. Although demand in Europe stagnated, with the exception of Great Britain, Bucher Municipal successfully achieved most satisfactory internal growth by successful tendering for several large-scale public contracts for compact sweepers and airport equipment. The division also profited from growing demand for truck-mounted sweepers in Continental Europe and from a revival of the winter servicing business. Johnston was able to retain its strong market position in Great Britain and showed pleasing sales development in the second semester despite the acquisition-related insecurities.

Bucher Process This division, with its fruit juice and wine production plants, achieved an increase in sales of 7.3% to CHF 142.4 million during the reporting year. The operating result was at CHF 8.4 million, thus beating the figure of the previous year by 55.6%. In the fruit juice production plant segment, the division achieved its best result in more than 10 years. Drying technologies were, as well, subject to good demand. The market for wine production plants dropped as a result of wine producers' reduced income and was notable for its considerable pressure on prices. Thanks to the introduction of innovative products for the production of wine, the division managed to increase its market share, even in a difficult environment. This good result tied in seamlessly with the successful turnaround of the previous year.

Bucher Hydraulics The division had sales of CHF 268.8 million during the reporting year, thus exceeding the high figure from the previous year by 10.3%. The operating result of CHF 26.7 million was 27.8% above the previous top figure of 2004 and thus set a new milestone. This highly pleasing result can be attributed to the friendly market environment on the one hand, but also to the division's own, sustainable efforts. The increase of market share in the important agricultural technology segment, and the introduction of a

new range of valves and of systems technology, contributed to the positive business development. New customers were also acquired, thanks to the division's comprehensive expertise in the application of wind energy in combination with high calibre valve technology. The constantly high volume of orders throughout the entire reporting year kept production facilities working at full capacity. The development in the hydraulic elevator sector was equally pleasing. Order volume was significantly increased here, thanks to targeted sales activities.

Emhart Glass Emhart Glass was able to profit from a very satisfactory order book right from the start of the year under review and achieved sales of CHF 321.3 million, which was 19.8% above the previous year. The operating result was partially offset by one-off costs for the settlement of a legal dispute in the higher single digit millions and higher development costs for thermally strengthened glass containers of CHF 4.6 million. With these setbacks, the operating result, which came in at CHF 16.6 million, was only 9.8% below the prior-year figure. Emhart Glass continued to improve efficiency by its consistent and ongoing implementation of the Six Sigma method for the improvement of quality and, in particular, by its outstanding spare parts logistics.

Development expenses and capital expenditure Expenses for the ongoing development and upgrade of the product range amounting to CHF 63.4 million were 17.2% above the prior-year figure. Capital expenditure came to CHF 51.7 million and was largely applied to replacements and investments in rationalizing as well as increasing capacity at Bucher Hydraulics.

Personnel At year-end Bucher Industries had 6 874 employees (previous year 5 782) in 25 countries around the world. The acquisition of Kuhn Metasa and Johnston, with their collective total of 1 064 employees, was responsible for the greatest portion of the increase.

Dividend In consideration of the most satisfactory group result, the board of directors will propose to the annual general meeting on 25 April 2006 an increased dividend of CHF 2.10 per registered share. This proposal corresponds to a dividend pay-out ratio of 25.8%.

Board of directors and group management The terms of board members Rudolf Hauser and Claude R. Cornaz are due to end on the date of the 2006 annual general meeting. The board of directors proposes to the annual general meeting to re-elect them both for another 3-year term. Moreover, the board will propose to elect Heinrich Spoerry and Kurt E. Siegenthaler to the board of directors for a 3-year term each. At the end of 2005 Martin Jetter took over from Kurt Siegenthaler as president of the Emhart Glass division.



Shareholders The annual general meeting of 25 April 2005 approved the introduction of a standard registered share. By simplifying the structure of voting and capital rights, our company has put in place national and international standards as a modern and forward-looking publicly listed company and created the structure for simplified and direct communication with all shareholders.

Thanks to our partners The success of Bucher Industries is based on the sound collaboration with our partners, customers, employees and shareholders. We thank every one of you, particularly our customers and business partners who were once again actively supportive. But the excellent progress of Bucher Industries would not have been possible without the extraordinary efforts of our employees. We would like to thank them warmly once again for all that they have contributed to our successes.

Prospects for 2006 With the exception of the agricultural machinery sector, Bucher Industries anticipates a friendly business environment in all of its markets. On the basis of the strong growth outside of Continental Europe, our exposure to currency fluctuation will grow further. We anticipate that prices for raw materials and energy will remain at today's high level. Kuhn Group foresees a further weakening of market conditions in Western Europe, stable demand in North America and a growth-oriented environment for Eastern Europe and South America. Bucher Municipal anticipates an overall stable demand in what continues to be a competitive environment, but will be able to profit from the integration of Johnston. One-off integration costs will occur during the current year, but it will be possible to largely compensate for them. As to Bucher Process, ongoing weak demand for wine production plants might be offset by the stable demand for fruit juice production plants and the positive impact of the new products. Despite considerable regional differences, Bucher Hydraulics anticipates that demand will stabilize. Emhart Glass also assumes a generally stable demand, although with demand dropping in Western Europe, the USA and Japan. Positive trends should develop, however in Eastern Europe, including Russia, the Middle East and South America. All in all, Bucher Industries anticipates that sales, operating and net results in the current year will be in a similar range to those of the previous year.

Niederweningen, 16 March 2006

A handwritten signature in black ink, appearing to read 'R. Hauser'.

Rudolf Hauser
Chairman of the board

A handwritten signature in black ink, appearing to read 'Philip Mosimann'.

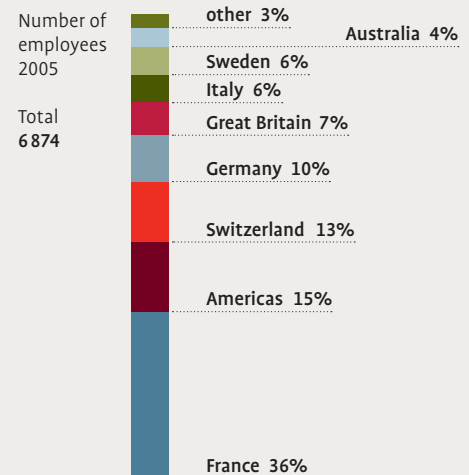
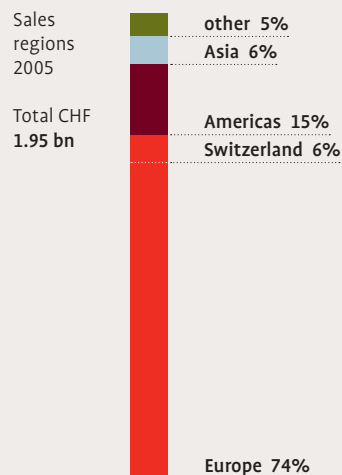
Philip Mosimann
Chief executive officer

Bucher – profile

Our mission We are a manufacturer of technologically leading machines and systems designed to efficiently obtain and produce healthy food products and to maintain clean cities and safe roads. We view ourselves as a fair partner to our employees, customers and shareholders. We combine economic and ecological aspects to sustain our natural resources. Contributing factors in our efforts are superior service life and energy efficiency of our machines and components, environmentally compatible vehicles, and container glass production systems to promote recyclable glass.

Our goals We strive for leadership in technology, market presence and consistent cost management to achieve maximum profitability and cash flow. We provide high-performance, innovative products and excellent service to our customers. We continuously enhance our group through internal growth and by acquisition of selected complementary business activities. We expect to achieve the following challenging financial goals by means of clear divisional structures, decentralized management and profit responsibilities and group-wide strategic and financial control: An operating result before depreciation and amortization (EBITDA) of 12% of net sales, an operating result (EBIT) of 8% and a return on net operating assets after tax (RONOA) of 14%.

Worldwide leadership positions The group comprises five specialized divisions in industrially related fields of machine and vehicle construction. The business segments are primarily associated with mature user markets offering considerable growth and earnings potential worldwide due to innovative products and services and geographical diversification.



Leading market positions Based on our globally leading market positions, we strive for optimal efficiency in our service and sales organization, maximum innovation power and a superior price/performance ratio in our specialty fields.

Kuhn Group is the world's leading supplier of agricultural machinery for fodder harvesting and processing, soil preparation, seeding technology, and plant cultivation.

Bucher Municipal holds the largest market share in sweeping vehicles in Europe. The product line includes compact and truck mounted sweepers, airport cleaning and snow clearing equipment, spreaders, refuse collection vehicles, and multi purpose vehicles.

Bucher Process is the foremost international manufacturer of equipment for fruit juice and wine production, starting from fruit delivery equipment, dejuicing, fermentation, filtration and adsorption systems. The product offering is further enhanced by processtechnologies for the food and pharmaceutical industries as well as environmental technology.

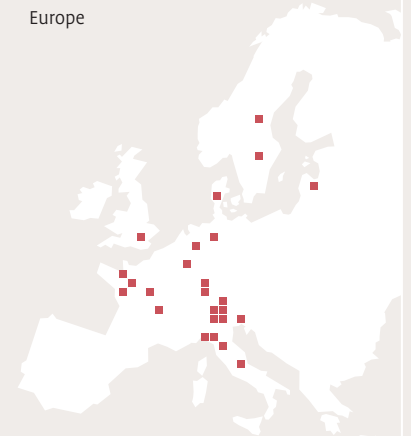
Bucher Hydraulics maintains manufacturing facilities in Europe, Asia and in the United States and plays a leading role as a supplier of customer-specific drive and control systems for mobile and industrial hydraulics.

Emhart Glass is the global market leader in glass forming machines and inspection equipment, components, replacement parts, and support services for the glass container industry with subsidiaries in Europe, Asia and North America.

Manufacturing sites



Europe



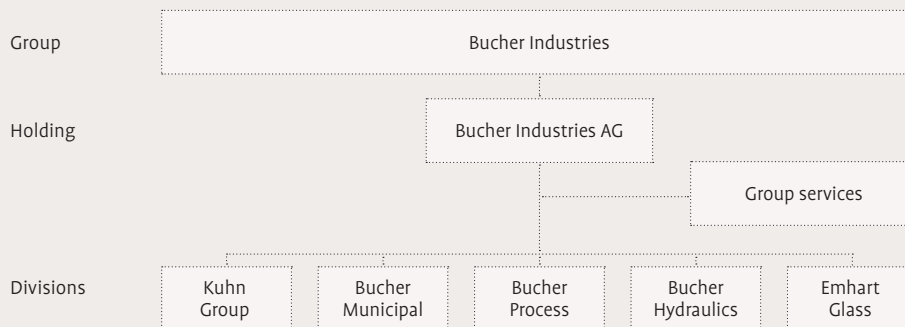
Corporate governance

This report complies with the SWX Swiss Exchange Corporate Governance Directive effective 1 July 2002 and related commentaries, where applicable and material to Bucher Industries. Unless otherwise stated, the information presented reflects the situation on 31 December 2005.

Group structure and shareholders

Group's operational structure The group Bucher Industries is organized into five divisions operating in five segments: specialized agricultural machinery (Kuhn Group), municipal vehicles (Bucher Municipal), wine and fruit juice production plants (Bucher Process), hydraulic components (Bucher Hydraulics), and production equipment for the glass container industry (Emhart Glass). At holding level, a corporate center provides finance and controlling, corporate development, general counsel and communications functions to support the holding company and five divisions in their activities. The group's operational structure is shown in the chart below. Detailed segment information is presented in the notes to the consolidated financial statements on page 71 of this annual report.

Group companies and scope of consolidation Bucher Industries AG based in Niederweningen/Switzerland is the group's holding company. Its registered shares are listed on SWX Swiss Exchange, as detailed in the investor relations section on pages 22 and 23 of this annual. The consolidation includes all group companies owned directly or indirectly by the holding company as shown on pages 90 and 91 of this annual report. None of these group companies is listed on a stock exchange. There are no cross-shareholdings between Bucher Industries AG and other companies.



Shareholders The registered shares are widely held by public shareholders. A group of shareholders organized under a shareholders' agreement and represented by Thomas W. Hauser, Neerach, holds 34.14% of the voting rights, as published in the Swiss Official Gazette of Commerce (SHAB) on 10 May 2005. The shareholders' agreement essentially governs unity in voting at general meetings of shareholders. Bucher Industries AG and Bucher Beteiligungs-Stiftung hold a total of 7.03% of the issued share capital, as published in the Swiss Official Gazette of Commerce (SHAB) on 4 January 2006, the voting rights attached to such shares being suspended in accordance with article 659a par. 1 of the Swiss Code of Obligations.

The board of Bucher Industries AG is not aware of any other shareholders, or groups of shareholders subject to voting agreements, who hold more than 5% of the total voting rights.

Capital structure

Ordinary capital The company has an issued share capital of CHF 2 113 180, divided into 10 565 900 registered shares of CHF 0.20 each. All shares are fully paid-up. Each share carries one vote at general meetings of shareholders. All of the shares issued rank for dividend. Bucher Industries has not issued any participation or profit-sharing certificates.

Conditional capital Bucher Industries AG has authorized but unissued conditional capital representing a maximum of 1 184 100 registered shares of CHF 0.20 each, which is reserved for the exercise of warrants or conversion rights attached to bonds and of options under rights issued to shareholders. Shareholders have no subscription privilege. Holders of warrants, options or conversion rights are entitled to subscribe for new shares. No such rights are outstanding at present. Warrant, option or conversion terms are determined by the board. The board is authorized to disapply shareholders' preemptive rights for good cause, as provided in article 653c par. 2 of the Swiss Code of Obligations, when issuing bonds with warrants or conversion rights. In such cases, the board is responsible for specifying the structure, life and amount of the issue as well as the warrant, option or conversion terms according to market conditions at the time of issue.

Restrictions on transferability The registered shares are not subject to any restrictions on ownership or transferability. Under Bucher Industries' articles of association the board established principles for the registration of nominees. Persons who fail to expressly state in the application for registration that the shares are held for their own account (hereinafter nominee) will be registered as a shareholder with voting rights in the share register up to a maximum of 2% of the then outstanding share capital, provided that such person entered into a nominee agreement with Bucher Industries AG prior to registration as a shareholder. If the 2% limit is exceeded, registered shares of nominees will be entered with voting rights only if the nominee agrees in writing to disclose the names, addresses and shareholdings of the persons for whose account the nominee holds 0.5% or more of the then outstanding share capital. The limit of 2% applies accordingly to nominees who are affiliated by capital or votes, through common management or otherwise.

Changes in capital in the last three years	CHF 1000		
	31.12.2005	31.12.2004	31.12.2003
Bearer share capital		1 416	1 416
Registered share capital	2 113	697	697
Statutory reserves	70 610	70 610	70 610
Distributable reserves	164 764	142 572	117 025
Reserve for treasury shares	35 237	37 429	42 975
Retained earnings	54 210	48 374	43 891
Total shareholders' equity	326 934	301 098	276 614

Convertible bonds and share options Bucher Industries does not have any outstanding convertible bonds. Share options granted under the share option scheme for directors and members of the group management and division managements are shown on page 85 to 87 of this annual report. The shares required to meet awards are purchased in the open market and held by Bucher Beteiligungs-Stiftung.

Board of directors

Members

Rudolf Hauser Swiss, mechanical engineer Swiss Federal Institute of Technology Zurich, MBA INSEAD Fontainebleau ▶ 1961 Bucher GmbH, Klettgau, managing director in 1964 ▶ 1967 Bucher-Guyer AG, delegate of the board ▶ 1984–2001 Bucher Industries AG, delegate of the board, chairman of the board since 2001 ▶ **Other activities** Chairman of the board of Kaba Holding AG, Rümlang ▶ Deputy chairman of the board of Rieter Holding AG, Winterthur, and AG für die Neue Zürcher Zeitung, Zurich.

Thomas W. Hauser Swiss, mechanical engineer Swiss Federal Institute of Technology Zurich, MBA INSEAD Fontainebleau ▶ 1968 Boeing, Seattle ▶ 1970–2003 Bucher Hydraulics GmbH, Klettgau, managing director ▶ 1984–2003 Bucher Hydraulics, division president. No other activities and interests.

Ernst Bärtschi Swiss, lic. oec. HSG University of St. Gallen ▶ 1980 Schindler Management AG ▶ 1994 Schindler Aufzüge AG, managing director ▶ 1997 Schindler Group, chief financial officer ▶ 2002 Sika AG, Baar, chief financial officer, since 2005 chief executive officer. No other activities and interests.

Name	Age	Position	Appointed	Term expires
Rudolf Hauser	69	Chairman, executive	1984	2006
Thomas W. Hauser	65	Deputy chairman, non-executive	1984	2008
Ernst Bärtschi	54	non-executive, independent	2005	2008
Thomas W. Bechtler	56	non-executive, independent	1987	2007
Rolf Broglie	59	non-executive, independent	1996	2007
Claude R. Cornaz	45	non-executive, independent	2002	2006
Erwin Stoller	58	non-executive, independent	1996	2008

Thomas W. Bechtler Swiss, doctorate in law, University of Zurich, LL.M. Harvard University ► 1977 Luwa AG, Zurich, division head ► 1982 Hesta AG and Hesta Tex AG, Zug, delegate of the board ► **Other activities** Chairman of the board Zellweger Luwa AG, Uster, and Schiesser Group AG, Küsnacht ► Deputy chairman of the board of Sika AG, Baar ► Member of the board of Credit Suisse Group, Zurich; Swiss Re, Zurich; and Conzzeta Holding, Zurich.

Rolf Broglie Swiss, industrialist ► 1972 Chromos AG, Glattbrugg, managing director in 1985 ► 1995 Prografica AG, Glattbrugg, delegate of the board. No other activities and interests.

Claude R. Cornaz Swiss, mechanical engineer Swiss Federal Institute of Technology Zurich ► 1987 Contraves AG, Zurich ► 1989 Nestec SA, Vevey ► 1993 Vetropack Holding AG, Bülach, delegate of the board and head of group management since 2000 ► **Other activities** Chairman of the European Container Glass Federation ► Member of the board of H. Goessler AG, Zurich.

Erwin Stoller Swiss, mechanical engineer Swiss Federal Institute of Technology Zurich ► 1992 Rieter Holding AG, Winterthur, head of Spinning Systems ► 1996 Rieter Textile Systems, Winterthur, chief executive officer ► 2002 Rieter Automotive Systems, Winterthur, chief executive officer. No other activities and interests.

Independence All the non-executive directors, except Thomas W. Hauser, are independent. They have never been members of the management of Bucher Industries, nor do they have a material business relationship with the group. Although Thomas W. Hauser was a non-executive director during the year, he is not considered to be independent because he held an executive position until the end of 2003.

Cross-involvements There are no cross-involvements between the board of Bucher Industries AG and any other listed company. Two members of the board, Rudolf Hauser and Thomas W. Bechtler, also serve on the boards of other listed companies, as mentioned on pages 11 and 12 of this annual report.

Elections and terms of office Members of the board are elected for staggered three-year terms. They are required to retire at the next annual general meeting of shareholders after reaching the age of 70.

Internal organization The board determines the strategic direction of the company and oversees its management as provided in the Swiss Code of Obligations, articles of association and internal rules of organization. It meets as often as business requires, holding at least five scheduled meetings each year. It met five times last year.

To assist in its duties the board has appointed an audit committee, a compensation committee and a nomination committee from among its members. The committees report to the full board, which decides on the fundamental issues.

The audit committee is composed of Rolf Broglie (chairman), Claude R. Cornaz and Erwin Stoller. All of its members are non-executive and independent. The role of the audit committee is to ensure a comprehensive and effective audit programme for the group, receive reports from the statutory and group auditors, review their independence and performance, fix their remuneration and recommend their appointment. It conducts an annual review of the audit plan and discusses the findings of the audit with the auditors. The committee holds at least two meetings each year. In the year under review, it met twice.

The compensation committee is composed of Rudolf Hauser (chairman), Thomas W. Bechtler and Rolf Broglie. The majority of the three committee members are non-executive and independent. The compensation committee is responsible for fixing the remuneration of the group management, determining policy on senior executive remuneration and recommending the remuneration paid to members of the board. It holds at least one meeting each year. In the year under review it met once.

The nomination committee is composed of Rudolf Hauser (chairman), Thomas W. Bechtler and Rolf Broglie. The majority of the three committee members are non-executive and independent. The role of the nomination committee is to set policy for selecting candidates for board appointments and to prepare the selection process applying these criteria. It may also perform functions related to the selection and evaluation of candidates for senior management positions. The committee holds at least one meeting each year. In the year under review it met twice.

Definition of areas of responsibility The board has delegated the group's operational management to the chief executive officer and group management. Their authority and responsibilities are set out in rules of organization, a short version can be found on Bucher Industries' website at www.bucherind.com. The board's role is to monitor and control the operational management.

Information and control systems relating to group management As part of the management reporting system, the board receives monthly and quarterly reports from group management, keeping the directors informed about operational performance and key performance indicators within the group and divisions. The figures are reviewed against budget, prior year figures and overall market performance. Consolidated financial statements are prepared quarterly. In addition, the board is informed about the course of business, important projects and risks at each meeting. Proposals are set out in writing for major projects requiring a board decision.

Group management

Members **Philip Mosimann** Swiss, mechanical engineer Swiss Federal Institute of Technology Zurich ► 1980 Sulzer Innotec AG, Winterthur ► 1993 Sulzer Thermtec, Winterthur, division president ► 1997 Sulzer Textil, Rüti, division president ► 2001 Bucher Industries AG, chief executive officer since 2002. No other activities and interests.

Roger Baillod Swiss, graduate in business economics, certified public accountant ► 1984 ATAG Ernst & Young AG, Zurich ► 1993 Dietsche Holding AG, Zug, head of finance and accounting ► 1995 Benninger AG, Uzwil, head of central services ► 1996 Bucher Industries AG, chief financial officer. No other activities and interests.



Kurt E. Siegenthaler



Daniel Waller



Roger Baillod



Michael Häusermann

Jean-Pierre Bernheim French, mechanical engineer Ecole des Mines, Paris, doctorate in engineering University of Marseille ▶ 1977 Groupe Vallourec, Paris ▶ 1980 Vaslin-Bucher SA, managing director ▶ 1988 Bucher Process, division president. No other activities and interests.

Michael Häusermann Swiss, graduate of Commercial College Zurich ▶ 1983 Kran + Hydraulik AG, Tagelswangen ▶ 1988 Bucher-Guyer AG, head of Bucher Transport Technology, Rolba Kommunaltechnik AG, and Bucher-Guyer AG Municipal Vehicles ▶ 2000 Bucher Municipal, division president. No other activities and interests.

Martin Jetter German, engineer University of Cooperative Education Stuttgart ▶ 1978 Robert Bosch GmbH, Schwieberdingen ▶ 1980 Jetter AG, Ludwigsburg, chief executive officer ▶ 2005 Emhart Glass AG, Emhart Glass, division president since 2006. ▶ **Other activities** Jetter AG, Ludwigsburg, chief executive officer.

Michel Siebert French, graduate of Institute of Business Administration Nancy ▶ 1976 Charbonnages de France, Nancy ▶ 1979 Kuhn SA, head of sales and member of division management ▶ 1999 Kuhn Group, division president. No other activities and interests.



Philip Mosimann



Jean-Pierre Bernheim



Michel Siebert



Martin Jetter

Kurt E. Siegenthaler Swiss, doctorate in biochemistry University of Zurich, graduate in economics University of Basel ► 1969 Sandoz AG, Basel ► 1974 Mc Kinsey & Co., Zurich ► 1976 Bühler AG, Uzwil, head of finance and controlling ► 1985 SIG, Neuhausen, head of packaging machinery division ► 1993 Emhart Glass, division president ► **Other activities** Member of the board of Schlatter AG, Schlieren; Baumer Elektrik AG, Frauenfeld; Alu Menziken AG, Menziken.

Daniel Waller Swiss, mechanical engineer Swiss Federal Institute of Technology Zurich ► 1987 Rittmeyer AG, Zug ► 1996 Carlo Gavazzi AG, Steinhausen ► 1999 Bucher Hydraulics AG Frutigen, managing director ► 2004 Bucher Hydraulics, division president. No other activities and interests.

Group services

Vanessa Ölz Swiss, graduate in law University of Zurich ► 1989 Sulzer AG, Winterthur, legal counsel ► 1997 Sulzer Medica, Winterthur, secretary general ► 2002 Bucher Industries AG, head of legal and communications, secretary to the board of directors.

Management contracts Bucher Industries AG has not entered into any management contracts with third parties.

Name	Age	Position	joined the group in
Philip Mosimann	52	Chief executive officer	2001
Roger Baillod	47	Chief financial officer	1996
Jean-Pierre Bernheim	57	Division president Bucher Process	1980
Michael Häusermann	45	Division president Bucher Municipal	1988
Michel Siebert	57	Division president Kuhn Group	1979
Kurt E. Siegenthaler	64	Division president Emhart Glass ¹⁾	1993
Martin Jetter	50	Division president Emhart Glass ²⁾	2005
Daniel Waller	45	Division president Bucher Hydraulics	1999

¹⁾until 31.12.2005

²⁾as of 1.1.2006

Compensation, shareholdings and loans

Content and method of determining compensation Members of the board receive compensation which is proposed by the compensation committee and determined by the full board every year. All or part of this compensation is paid in shares of Bucher Industries AG which vest after a three-year vesting period.

The compensation for group management members and the compensation systems for other executives in the group are determined by the compensation committee as proposed by the chief executive officer. In addition to a fixed base salary commensurate with their responsibilities, they receive a variable performance-related element up to 50% of base salary, upon achievement of goals.

Compensations for members of governing bodies The aggregate compensation paid to the executive member of the board and group management members for the year under review was CHF 4 915 900. This also includes awards of registered shares valued at the year-end price.

During the year under review, the aggregate compensation paid to non-executive directors in the form of awards of registered shares with a three-year vesting period and a fee for committee meetings was CHF 704 800, of which CHF 59 000 was paid in cash. No compensation was paid to former members of governing bodies in the year under review.

Share awards For the business year 2005, the executive member of the board and group management members were awarded a total of 8 333 registered shares of Bucher Industries AG. Non-executive members of the board received 6 162 registered shares as directors' compensation.

Share ownership At 31 December 2005, the executive member of the board, group management members and parties closely linked to them held a total of 1 015 540 registered shares of Bucher Industries AG. Non-executive members of the board and parties closely linked to them owned 1 016 920 registered shares.

Share options Under the group's participation and share option plan described in the notes to the consolidated financial statements on pages 85 to 87 of this annual report, the executive member of the board, group management members and parties closely linked to them held 53 625 share options on 31 December 2005. Each option entitles the holder to purchase one registered share of Bucher Industries AG at the respective exercise price during the exercise period (see table below). Non-executive members of the board did not hold any share options.

Additional compensations, fees and loans to members of governing bodies No members of the board and group management or parties closely linked to them received any additional compensation, fees or loans during the year under review.

Options	Grant year	Exercise period, staggered	Exercise price	Number of options
	2000	2001 – 2010	52.40	2 475
	2001	2002 – 2006	53.20	4 500
	2002	2003 – 2007	28.40	5 700
	2003	2004 – 2008	34.60	8 400
	2004	2005 – 2009	46.80	10 950
	2005	2006 – 2015	108.00	21 600

Highest total compensation The highest total compensation paid to a member of the board during the year under review was CHF 638 400. This also included awards of registered shares, valued at the year-end price, and grants of share options, valued using the Black-Scholes model.

Shareholders' participation rights

Voting rights and representation restrictions There are no restrictions on voting rights or proxy voting.

Statutory quorums Resolutions at general meetings of shareholders are passed by an absolute majority of the votes of the shares represented. At least two-thirds of the votes represented and an absolute majority of the par value of the shares represented are required for special resolutions as prescribed in article 704, par. 1 of the Swiss Code of Obligations.

Convocation of the general meeting of shareholders As provided in the articles of association, invitations to a general meeting are sent to shareholders at least 20 days before the meeting. The convocation of the meeting states the agenda and resolutions to be proposed by the board and by shareholders who have requested an item to be added to the agenda.

Extraordinary general meetings of shareholders are convoked as and when required, especially in the cases provided by law. Shareholders representing at least one tenth of the share capital may at any time request a meeting to be convoked by submitting a requisition stating the business to be transacted and resolutions proposed.

Adding items to the agenda Shareholders representing shares with a combined par value of CHF 20 000 may request an item to be added to the agenda. Requests for additions to the agenda must be submitted at least 6 weeks before a general meeting of shareholders.

Duty to make an offer and clauses on changes of control The annual general meeting of shareholders held on 26 April 2005 adopted an opting-up clause in the articles of association, requiring a purchaser of shares to make a full tender offer when reaching or crossing the threshold of 40% of the voting rights in accordance with articles 32 and 52 of the Federal Stock Exchange and Securities Trading Act. There are no clauses on change of control benefiting members of the board and group management.

Auditors

Duration of the mandate and term of office of the lead auditor PricewaterhouseCoopers AG, Zurich, or its predecessor companies, has served as statutory and group auditors of Bucher Industries since 1984. The lead auditor, Frank Scharnagl, has been responsible for the audit engagement since 2000.

Auditing fees and additional fees For the year under review, Bucher Industries was charged CHF 1 583 000 by PricewaterhouseCoopers and approximately CHF 525 000 by other auditors for services rendered in connection with the audit of the financial statements of Bucher Industries AG and the group companies as well as the consolidated financial statements of Bucher Industries.

In addition, PricewaterhouseCoopers charged Bucher Industries a fee of approximately CHF 290 000 for other services, comprising financial, tax and due diligence services.

Supervisory and control instruments pertaining to the audit The audit committee reviews the auditing concept and audit plan every year and discusses the findings of the audit with the auditors. Every year, the audit committee subsequently assesses the performance, remuneration and independence of the statutory and group auditors.

Information policy

Bucher Industries publishes its business results in an annual report, half-year report and press releases. The group issues press releases to announce its full year, first quarter and third quarter sales. It holds an annual financial press conference and financial analyst conference to present full year results and hosts a conference call to discuss half-year results. Significant events are announced in compliance with the Directive on Ad Hoc Publicity issued by SWX Swiss Exchange. A calendar of forthcoming release dates scheduled for the current and next financial year is set out in the investor relations section on page 23 of this annual report. In addition, all news releases published over the past two years and contact addresses can be found on the company's website at www.bucherind.com. Anyone interested can also sign up there for a free e-mail service to receive up-to-the-minute press releases published by Bucher Industries.

Investor relations

At 31 December		2005	2004	2003	2002	2001
Share capital						
Registered shares						
Par value	CHF	0.20	0.20	0.20	0.20	10.00
In issue and ranking for dividend	number	10 565 900	3 487 500	3 487 500	3 487 500	697 500
Authorized but unissued	number	1 184 100	137 500	137 500	137 500	27 500
Treasury shares	number	743 120				
Bearer shares						
Par value	CHF		1.00	1.00	1.00	50.00
In issue and ranking for dividend	number		1 415 680	1 415 680	1 415 680	283 136
Authorized but unissued	number		209 320	209 320	209 320	41 864
Treasury shares	number		160 874	168 205	173 595 ²⁾	11 000
Issued share capital	CHF million	2.1	2.1	2.1	2.1	21.1
Market capitalization and dividends						
Market capitalization	CHF million	1 107.3	534.6	350.8	278.9	511.4
As % of equity	%	175	103	73	64	98
Gross dividend:	per bearer share	CHF	–	7.00	5.00	5.00
	per registered share	CHF	2.10 ³⁾	1.40	1.00	1.00
Total dividend	CHF million	22.2 ³⁾	14.8	10.6	10.6	–
Par value repayment:	per bearer share	CHF	–	–	–	45.00
	per registered share	CHF	–	–	–	9.00
Total par value repayment	CHF million	–	–	–	–	19.0
Payout ratio (incl. par value repayment)	%	25.8 ³⁾	27.5	28.9	n.a.	39.6
Per share data ¹⁾						
Net result for the year						
Earnings per share	CHF	8.7	5.5	3.8	–0.8	4.7
Diluted earnings per share	CHF	8.7	5.5	3.8	–0.8	4.7
Cash flow	CHF	11.6	15.8	9.5	6.2	7.9
Equity	CHF	59.8	49.2	45.6	41.2	49.4
Year's high	CHF	110.5	51.0	36.8	54.0	64.0
Year's low	CHF	50.2	33.4	19.4	25.0	44.6
Year-end price	CHF	104.8	50.6	33.2	26.4	48.4
Average price	CHF	86.4	44.4	29.0	41.0	56.2
Average yield	%	2.4 ³⁾	3.1	3.4	2.4	3.2
Average daily trading volume	number	17 801	9 500	7 745	7 450	12 200
Price/earnings ratio (year-end price)		12.0	9.1	8.7	n.a.	10.3

¹⁾ Restated per single class registered share based on 5-for-1 share split on 26 April 2005

²⁾ Increase due to first-time inclusion of Bucher Beteiligungs-Stiftung

³⁾ Proposal by the board of directors

Stock exchange listing The registered shares of nominal CHF 0.20 are listed on the primary segment of the SWX Swiss Exchange:

Security-No.	243217
ISIN	CH0002432174
Telekurs	BUCN
Reuters	BUCN.S
Bloomberg	BUCN SW

The registered shares are also listed on the over-the counter market of the following stock exchanges: Frankfurt, Stuttgart, Berlin, XETRA.

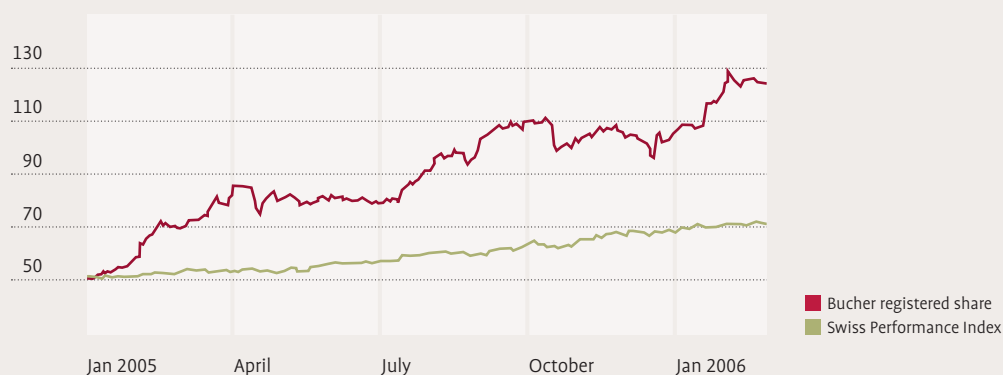
Contact addresses

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Roger Baillod, CFO

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www.bucherind.com

Agenda	Press release on group net sales 1st quarter 2006	24.04.2006
	Annual general meeting (Mövenpick Hotel, Regensdorf)	25.04.2006 4.00 pm
	Dividend payment	28.04.2006
	Mid-year report 2006	16.08.2006
	Press release on group net sales 3rd quarter 2006	26.10.2006
	Press release on group net sales 2006	01.02.2007
	Financial press conference	13.03.2007 8.30 am
	Presentation for financial analysts	13.03.2007 2.30 pm
	Mailing of annual report 2006	16.03.2007
	Annual general meeting (Mövenpick Hotel, Regensdorf)	12.04.2007 4.00 pm
	Dividend payment	17.04.2007
	Press release on group net sales 1st quarter 2007	24.04.2007
	Mid-year report 2007	09.08.2007
	Press release on group net sales 3rd quarter 2007	25.10.2007

Development of share price CHF





We take on responsibility: For the productive potential of agriculture, as well as for the reliability and durability of our machinery. Every one of our employees is committed to the financial success of our customers. This is what has made us the leading provider of agricultural machinery for tillage, seeding, fodder harvesting and feed mixing.

Kuhn Group

Our products make agriculture more productive. Every day the 3000 people of the Kuhn Group give their best so that we can continue being what we are: leading in specialized agricultural machinery.

Kuhn Group

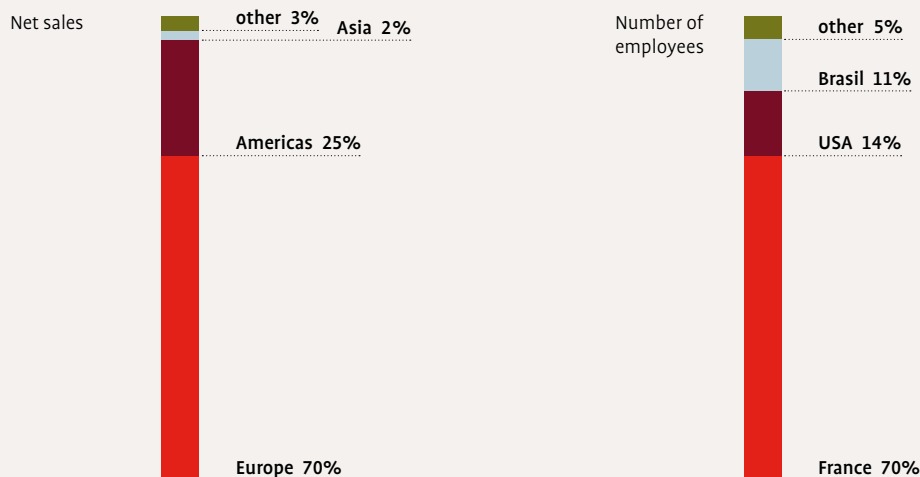
Activities Thanks to its many decades of experience and ongoing product development, Kuhn Group is the world's leading supplier of specialized agricultural machinery including fodder harvesting, feed mixing, seeding, arable farming and plant cultivation machinery. The division's wide range of farm mechanization products offers the right solution for large-scale high-performance factory farms, private contractors and smaller specialized operations. Products carrying the Kuhn brand are distinguished by efficiency, reliability and a long working life. The division has production facilities in France, the USA and Brazil.

Highlights Kuhn Group increased sales by 9% during the year under review to a total of CHF 778 million in a less robust market environment. The acquisition of Kuhn Metasa contributed 2% to this total. Order intake came to CHF 757 million. This was only 1% above the previous year due to weakened demand in the second semester. Positive business developments in North America contributed substantially to the 11% growth in the operating result to CHF 65 million. The division contributed 40% to the group sales (2004 43%).

Key figures

CHF million	2005	2004
Order intake	757.0	751.7
Net sales	777.8	712.2
Order book	180.6	200.9
Operating result (EBITDA)	81.7	82.9
Operating result (EBIT)	65.0	58.8
Number of employees at year end	2 846	2 531
Average number of employees during year	2 964	2 509

Geographic distribution



Weakening market development Overall, the investment volume in agricultural machinery in Western Europe stagnated. The main causes were the drought in substantial parts of Western and Southern Europe, heavily increased costs for energy, fertilizer and seeds, not to mention the unease felt by farmers due to the public discussion about the future of agricultural policy. Other regions of the world were also subjected to difficult climatic conditions. Regions to the south, extending to the centre of Brazil suffered such extreme drought that harvests dropped enormously. In this region demand for farming machinery dropped as much as 65% over the prior-year figure.

Increase in sales and operating result In an uneven and, in some areas, very weakened environment, Kuhn Group grew its sales by 9.2% to a total of CHF 777.8 million. This translates as 8.5% adjusted for currency effects. The acquisition of Kuhn Metasa in Brazil contributed 1.5% to growth. Demand in North America, Central and Eastern Europe enjoyed an upswing. But the market weakness noted since the second half of the year under review had its impact on the Kuhn Group as well. For that reason order intake stagnated and was at CHF 757.0 million. Thanks to the flexibility of its production structures and the optimized value chain, Kuhn Group was able to increase the operating result by 10.5% to CHF 65.0 million. Solid business developments in North America made a considerable contribution to this result. However, the two subsidiaries, Kuhn Metasa and Kuhn Nodet, had a rather negative impact on the operating result. In the case of Brazil, the extreme drop in the markets represented an exceptional situation. But for Kuhn Nodet, the situation worsened after many years of steadily accumulating losses. The elimination of “amortization of goodwill” due to changes in the accounting rules had a positive impact of CHF 8.0 million on the result.

Reinforcing market presence An effective sales network with proximity to our customers is an important factor in the sustainable and growing strength of Kuhn Group. The division satisfies the rapidly growing demand of agricultural producers for competent agrotechnical advice and ensures the timely delivery of both machines and customer services. During the period under review Kuhn Group launched a sales company in the Ukraine. This new subsidiary, together with the division's older and successful sales organization in Poland, represents an expansion of the division's presence in the Eastern European growth market. A very well attended meeting of all US dealers and distribution partners took place in the USA last year for the first time since the successful integration of Kuhn Knight. The expert participants were impressed by the comprehensive product range offered by the Kuhn Group and had a chance to become well acquainted with the new product generations.

Division management

Michel Siebert,
division president

Jean-Luc Collin,
production

Jeannot Hironimus,
research and development

Dominique Schneider,
finance and controlling

Roland Rieger,
sales

Hervé Arlot,
Kuhn-Huard SA

Didier Vallat,
Kuhn-Audureau SA

Michel Follain,
Kuhn-Nodet SA

Thierry Krier,
Kuhn Knight, Inc.

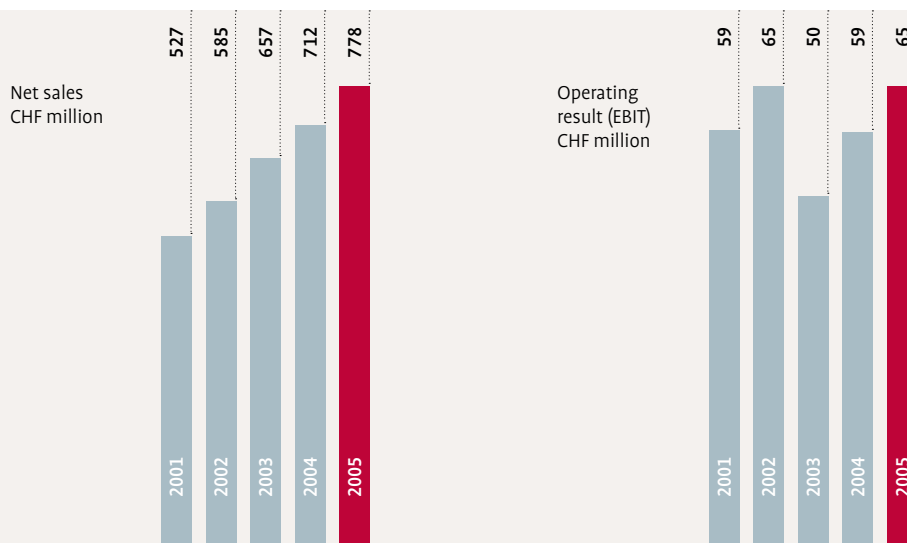
Mario Wagner,
Kuhn-Metasa S/A

as of 16 March 2006

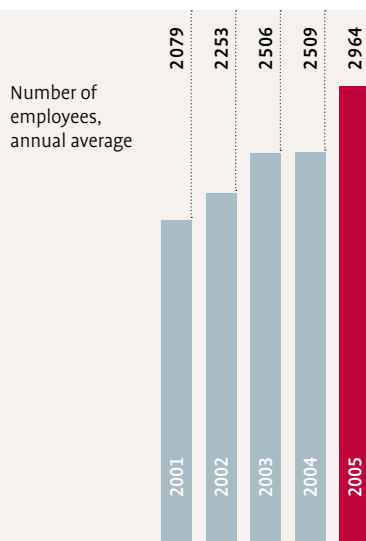
High innovation pace Kuhn Group presented 20 innovations at Agritechnica, the world's most important fair for agricultural machinery. These innovations covered soil preparation, seeding, fodder harvesting, bedding and feeding and Kuhn Group's product offer kept with today's new trends in the agricultural industry. The seeding machines from Kuhn Metasa's Brazilian production facilities were met with great interest on the part of European farmers, most especially those from Eastern Europe. New product concepts for fodder harvesting featuring increasingly large working widths were presented to a very interested public. Kuhn Group also expanded its series of TMR feeder wagons, straw blower and silo distribution equipment with new models. The division has further developed its electronic control systems and presented a market-ready ISOBUS onboard computer that ensures the optimum control of all equipment attached directly the tractor's controls.

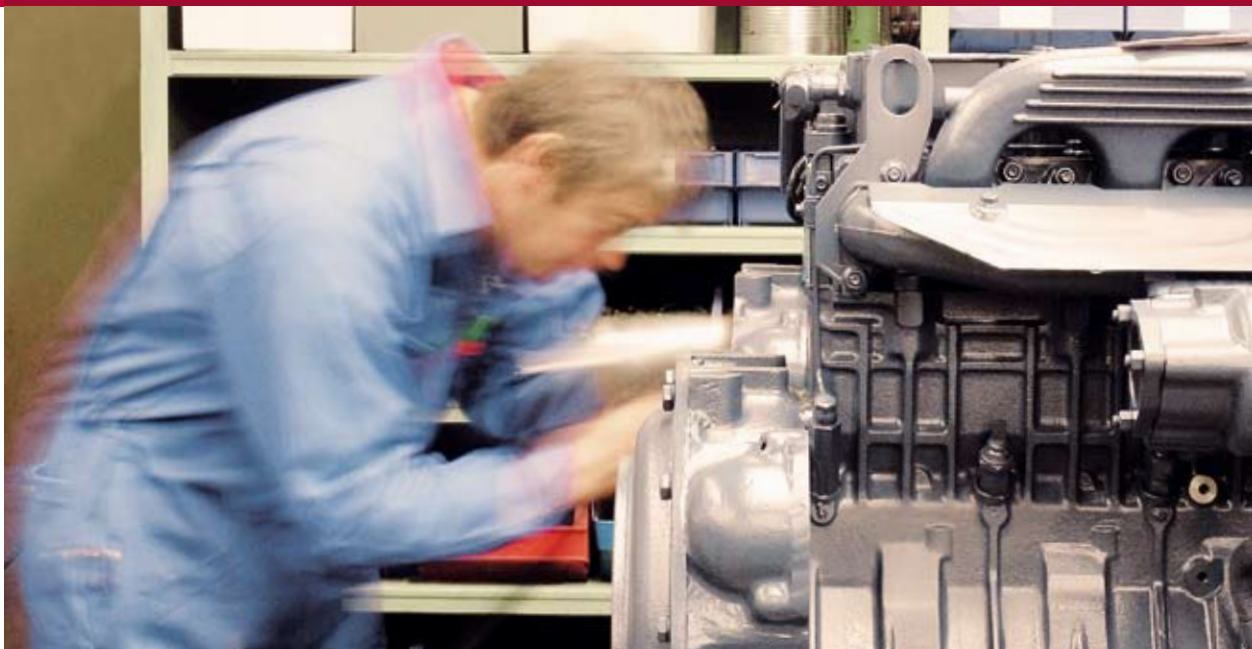
By constantly refining and expanding the functionality of its existing product range, and by the development of new product ranges, Kuhn Group is able to satisfy the various needs of its global client base.

Company project In order to secure the future and to maximize productivity, Kuhn Group launched in 2002 a division-wide project. This comprised all functions and hierarchies within the division and is marked by the exceptionally high participation of all employees. By the end of the reporting year many improvement projects had been implemented in the development, sales, production, procurement, logistics and administration departments. The specialized production facilities in France, the USA and Brazil were managed and controlled on the basis of common key figures.



Prospects for 2006 Kuhn Group assumes a weaker market in Western Europe over the current year. In North America demand for feed mixing equipment should continue to post positive developments. On the other hand, the other product families could be facing a slight drop. As for Brazil, the severe drought of the previous year is hardly likely to be repeated. For that reason, all prospects in South America appear to indicate a recovery of demand. Eastern Europe is likely to continue to show positive market developments. Suitable plans of action will be laid out for Kuhn Nodet in the first half of 2006. Compared with the previous year, the low level of the order book that marked the onset of 2006, is not likely to be fully offset. For that reason the Kuhn Group anticipates sales just slightly below the level of the previous year, and an operating result approximating that of the previous year.





We focus on functional engineering. But also on environmental soundness and driving comfort. Our demanding customers around the world oblige us to deliver nothing but our best. Our key advantage is our employees, who apply their expertise towards the continuous improvement of the functionality and quality of municipal vehicles.

Bucher Municipal

Our products make public areas more liveable and more secure. Every day some 1500 people at Bucher Municipal give their best so that we continue being what we are: leading in the municipal vehicle business.



Bucher Municipal

Activities Bucher Municipal is the world's leading supplier of municipal vehicles for road and airport maintenance services. Its product range includes compact sweepers and truck mounted sweepers, but also snow clearing equipment and spreaders. The products are marketed by independent sales organizations under the Bucher Schörling and Johnston brands. In Australia, the product range also extends to Johnston's refuse collection vehicles. The division also includes the Swiss trading business with tractors and agricultural machinery. Production facilities are located in Switzerland, Germany, England, Italy, Denmark, Latvia, Australia and South Korea.

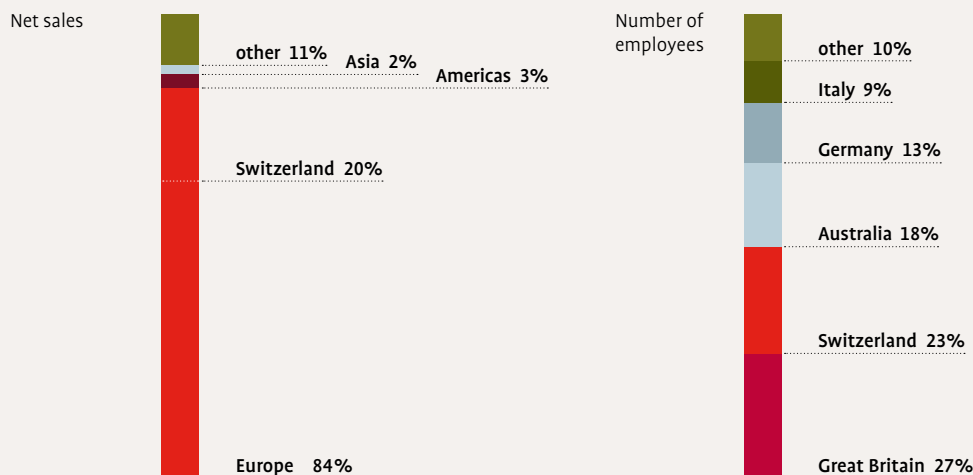
Highlights Bucher Municipal increased sales by 54% (4% after adjusting for acquisition effects) to CHF 437 million during the year under review. Bucher Municipal successfully tendered for large contracts for compact sweepers and airport equipment, which contributed to the gratifying internal growth. Through internal growth and the acquisition of Johnston, order intake exceeded the prior-year figure by 58%, or 5%, adjusted for acquisitions, and achieved CHF 451 million. The division increased its operating result from CHF 6 million to CHF 18 million. This consisted of a 22% contribution to group sales (previous year 17%).

Key figures

CHF million

	2005	2004
Order intake	450.9	285.8
Net sales	437.1	283.6
Order book	123.8	60.0
Operating result (EBITDA)	25.8	12.6
Operating result (EBIT)	18.2	6.1
Number of employees at year end	1 528	799
Average number of employees during year	1 335	781

Geographic distribution



Stable demand With the sole exception of the UK, demand was flat in Europe for municipal vehicles. However the winter servicing equipment business experienced a pick-up, profiting both from previously suppressed demand and Europe's cold winter. The high pressure on costs and savings of the cities and communities continued unabated, as did the intensive competition amongst manufacturers. The high level of large tenders during the previous year was, as anticipated, not equalled. In a market environment that continued to be difficult, the division nevertheless was able to increase its market share in the airport and municipal vehicle sector. With its acquisition of Johnston Sweepers Ltd., Bucher succeeded in taking an important step in the consolidation of this industry in Europe. In September of the reporting year, after six months of ongoing investigation, the UK Competition Commission approved the acquisition unconditionally as expected.

Jump in sales and earnings The 2005 business year was marked by a further improvement in our traditional activities as well as by the integration of Johnston, headquartered in Dorking, UK. Johnston was consolidated as at 1 April 2005. The acquisition led to a strong growth in sales and earnings in addition to the division's pleasing organic growth. Bucher Municipal experienced an increase in growth of 54.1% during the year under review and achieved sales of CHF 437.1 million. Adjusted for currency effects this amounted to an increase of 53.3% or 3.9%, adjusted for both currency and acquisition effects. At Bucher Schörling, both large-scale tenders for compact sweepers and airport equipment and growing demand for winter service equipment and truck-mounted sweepers in continental Europe contributed to the growth. In the second half of the year Johnston was able to take advantage of rising demand in the UK and managed to retain its strong market position despite the acquisition-related insecurities. At CHF 18.2 million, the operating result exceeded the prior-year figure by CHF 12.1 million. The cost-cutting measures in place for the traditional Bucher Schörling business, together with the acquired Johnston business, contributed to this most satisfactory leap in earnings. After deducting acquisition costs and expenditures in connection with the UK Competition Commission, the 2005 operating result reflected the write-off of the badwill of CHF 4.0 million.

Leading market position Bucher Municipal is the world's leading supplier of municipal vehicles and Europe's largest supplier. Bucher Schörling and Johnston Sweepers are famous manufacturers of both compact and truck-mounted sweepers and are active in largely complementary markets. The acquisition enhances the market presence of Bucher Municipal in Europe, especially the UK, in North America and Australia. The market opportunities for sales of winter service equipment are opening up in Great Britain and North America. Indeed, Bucher Municipal is well positioned for success in the aspiring, but so far not intensively worked-up markets of Eastern Europe, the Middle East and Southeast Asia. Johnston has a strong market presence in Australia with its sweepers and refuse collection vehicles. Together with the

Division management

Michael Häusermann,
division president

Jürg Hauser,
finance and controlling

Municipal vehicles

Alex Koch,
Bucher-Guyer AG

Klaus Petereit,
Bucher-Schörling GmbH

Pius Studer,
Bucher-Schörling Italia SpA

Niklaus Huser,
SIA Bucher-Schörling Baltic

Coen van Rosmalen,
Johnston Sweepers Ltd.

David Waldron,
MacDonald Johnston Ltd.

Guido Giletta,
Giletta SpA

Other activities

Jürg Minger,
Bucher Landtechnik AG

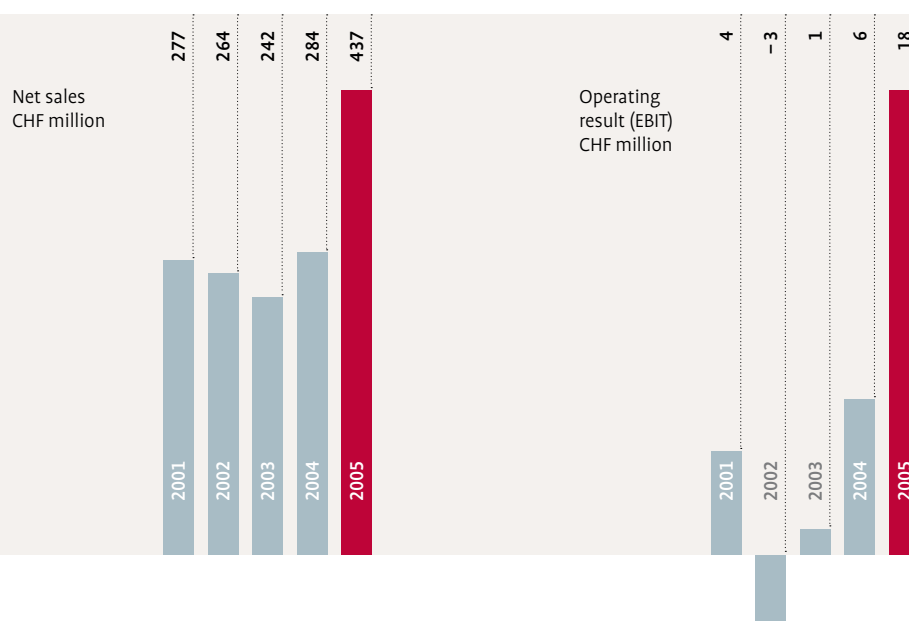
Lars Wiese,
production and logistics,
Bucher-Guyer AG

as of 16 March 2006

Bucher Municipal assembly facility in South Korea, the division has improved access to opening the markets of Southeast Asia. Within Europe, independent sales organizations offer the Bucher Schörling and Johnston brands except in those countries where the division operates large manufacturing facilities. In the countries where neither of these brands are as yet established, the local market conditions will play a role in determining the product range on offer.

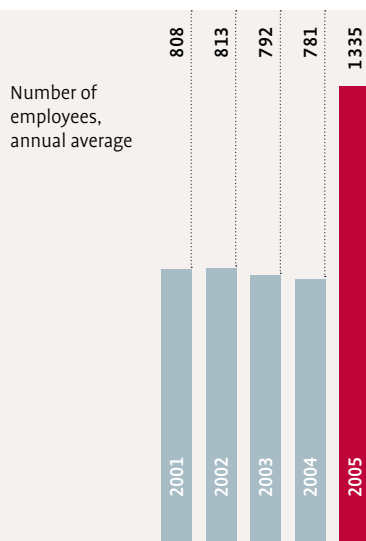
A strategy of price leadership Bucher Municipal intends to leverage its size advantage by turning it into price leadership. After a delay of six months caused by the investigation of the UK Competition Commission the integration of Johnston is now underway, as are analyses and measures intended to optimally apply the available cost reduction potential. The buying advantages will be utilized during the current year, and the locational advantages of our facility in Ventspils, Latvia expanded to accommodate Johnston. Indeed, this location will be rapidly expanded with this plan in mind. The formation of specialized competence centres will improve efficiency in development and production. This package of measures will have its positive impact on the cost structure of Bucher Municipal within the next two to three years.

Product development Product development is concentrating on customer's new requirements. Ease of use and the maintenance of sweepers, the reduction of fine particle, noise and air pollution and the lowering of lifecycle costs are all gaining in importance. Nevertheless, the developmental focal point lies in the reduction of product costs by means of a thorough re-engineering of the construction designs on the basis of value analyses and intensive collaboration with our suppliers.



Change in management Coen van Rosmalen, previously head of corporate development, has been entrusted with the management of Johnston Sweepers Ltd since 1 April of the reporting year. Klaus Petereit has taken on the management of Bucher Schörling GmbH in Hanover.

Prospects for 2006 During the current year Bucher Municipal anticipates overall stable demand in the primary markets and an ongoing high pricing pressure due to the intensively competitive environment. The integration of Johnston and the new Bucher Municipal cost leadership strategy will, in addition, result in one-off costs. Owing to the consolidation of Johnston for the entire year (2005: nine months), the operational improvements and the write-off of the badwill of last year, Bucher Municipal is forecasting an increase in sales and an operating result similar to the prior-year figure.





Our machines really deliver the goods. People around the globe enjoy healthy fruit juices, good wines and aromatic food products that were produced with our machines. This is possible thanks to the employees of Bucher Process and the innovative, ongoing development of our sophisticated process engineering and the manufacturing systems.

Bucher Process

Our products make a higher quality of grape and fruit-based drinks. Every day some 500 people at Bucher Process give their best so that we continue being what we are: leading in production plants for wine and fruit juice.



Bucher Process

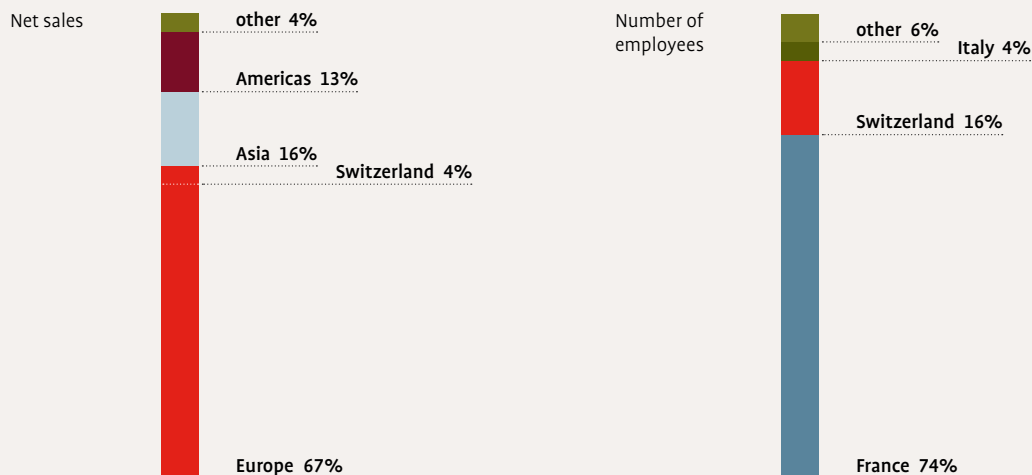
Activities Bucher Process specializes in process technologies for the food and pharmaceutical industries and in environmental technology. The product range comprises processes and products for the production of wine and fruit juice from the moment the fruit is delivered, prepared, de-juiced and continuing up to the fermentation, filtration and adsorption systems, as well as vacuum-drying equipment for the gentle treatment of heat-sensitive products. Bucher Process operates production facilities in Switzerland, France, Italy and New Zealand.

Highlights In the year under review Bucher Process increased sales by 7% to a total of CHF 142 million. Order intake grew by 13% to CHF 148 million. Solid demand for fruit juice production plants contributed considerably to this growth. The division achieved an operating result of CHF 8 million, thus exceeding the prior-year figure by 56%. The Bucher Process division was responsible for 7% of the group sales (previous year 8%).

Key figures

CHF million	2005	2004
Order intake	148.4	131.9
Net sales	142.4	132.7
Order book	28.0	22.0
Operating result (EBITDA)	10.8	7.9
Operating result (EBIT)	8.4	5.4
Number of employees at year end	529	527
Average number of employees during year	560	572

Geographic distribution



Varying trends in market development The markets of Bucher Process developed in different ways. Demand for fruit juice production plants was gratifying during the reporting year. The investment activities in China stabilized at quite a high level, while in Europe and America demand once again recovered during the reporting year after a few rather weak years. The increased prices for fruit juice concentrate renewed interest and thus demand for substitutes and new investments in Europe. Across the globe demand for wine production plants dropped, although regional differences in market development were visible. In Europe, which continues to make up some 75% of the wine production, supply considerably outstripped demand. This led to very heavy pressure on prices, especially in the primary wine producing countries France and Italy, and a weakening in investment activities. Positive market developments in the southern hemisphere and the United States were not able to offset this regressive tendency.

Increase in earning power During the year under review Bucher Process realized a growth in sales amounting to 7.3% and a total of CHF 142.4 million. Adjusted for currency effects, this increase amounted to 6.9%. Order intake rose by 12.5%, or 12.1% adjusted for currency effects, to CHF 148.4 million. Indeed, in the fruit juice plant sector, the division achieved its best result in more than ten years. Besides fruit juice plants, drying technology, in particular, also contributed to the good business year. Thanks to the introduction of innovative products for wine production plants, the division was able to further increase its high market share in a difficult market environment. The operating result amounted to CHF 8.4 million and exceeded the prior-year figure by 55.6%. This very pleasing result represents a seamless follow-on to the successful turnaround of the previous year and confirmed the impact of the measures undertaken.

Expansion of the service organization The sales subsidiary founded in Chile last year succeeded in expanding its market presence during the reporting year. A service branch was opened near Warsaw in order to provide better support to the division's numerous important Polish customers. In China preparations have been made to provide local assembly and service support during the 2006 fruit harvest season. The Austrian subsidiary was reorganized for a better focus on the important Eastern European markets and is now devoted exclusively to sales and service support, while the engineering is concentrated in Switzerland. This strengthened comprehensive support of client needs and, at the same time, further improved the efficiency of processing orders.

Increasing cost efficiency Overhead costs were lowered and vacant positions occupied in productive sectors in the context of a pre-retirement programme in the factory in Chalonnes-sur-Loire. After successfully re-engineering the wine and fruit presses while, at the same time, increasing capacity and lowering production costs, additional products were revised. The price/performance ratio of filtration systems, for example, was considerably improved by

Division management

Jean-Pierre Bernheim,
division president

Wine production plants

Jean-Pierre Bernheim,
Vaslin-Bucher SA

Fruit juice and drying plants

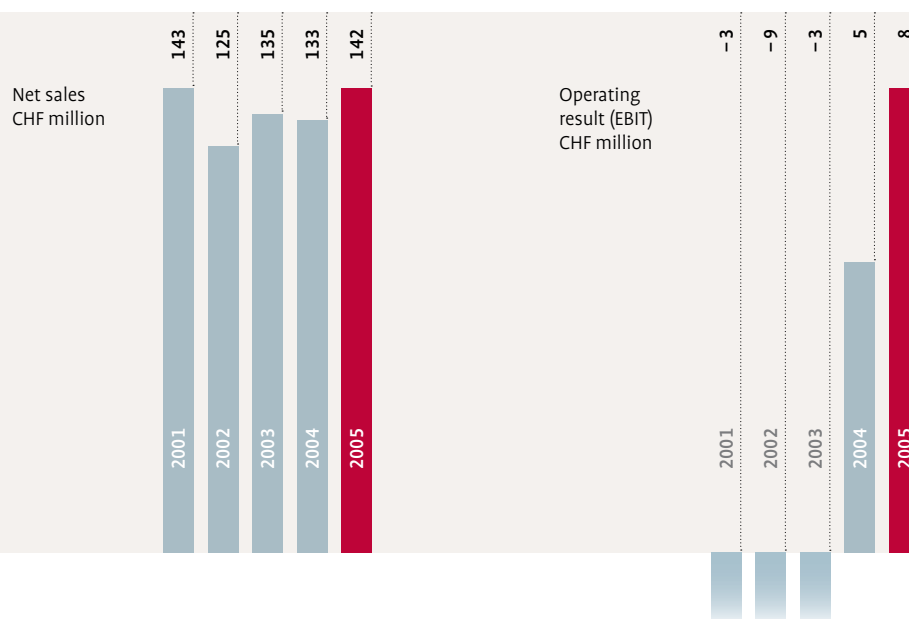
Hartmut Haverland,
Bucher-Guyer AG

as of 16 March 2006

the employment of larger and more powerful filter modules. These measures were augmented by the increase in the procurement volume in Eastern Europe whereby the choice of supplier was subjected to close examination with regard to quality and reliability. This ensures that the high standards demanded by the food and pharmaceutical industries will continue to be met.

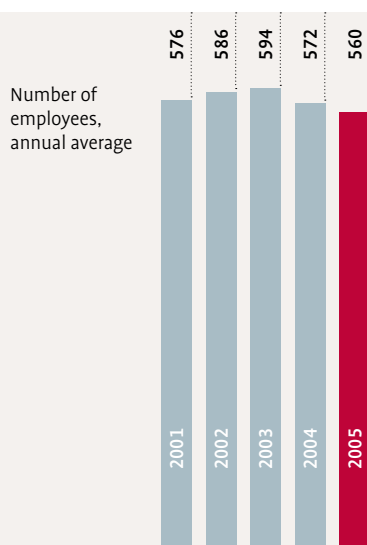
High level of product innovation Ongoing product innovation is a considerable factor in the success the division has had in maintaining and expanding its market leadership. During the year under review, the division developed a system in the wine production plant segment, which enables the pressing of grapes in an oxygen-free environment. This patented process prevents the oxidation of the grape juice and is used for the most demanding applications. The division received a gold medal at the Sitevi in Montpellier for one of its innovations. Sitevi is one of the most important exposition in Europe for wine producers. With little fanfare, Bucher Process introduced to the market numerous product improvements to grape presses, such as filtration and reverse osmosis systems, that are of great importance for sales success.

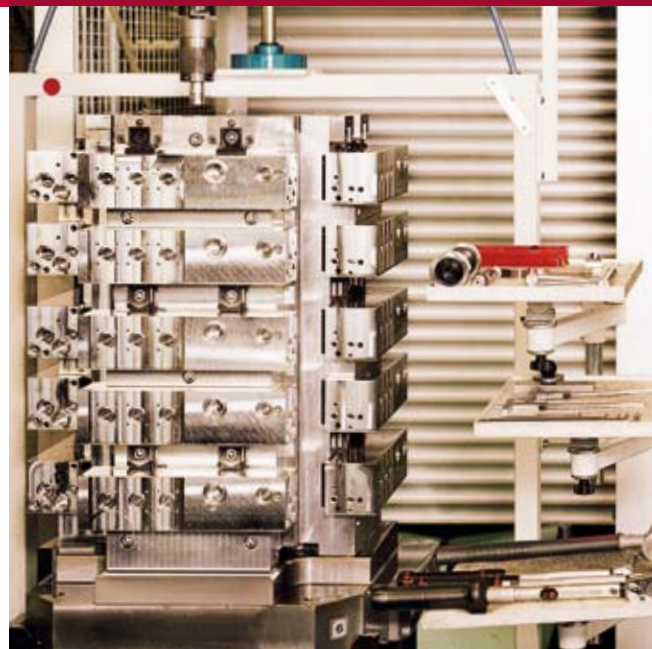
In the fruit juice plant segment, the division developed its own range of mash heaters to optimise the enzyming process. The performance capacity of the fruit presses was further increased by use of a new hydraulic system, and hygienic characteristics were adapted to customer requirements by means of a range of constructive changes and enhancements. In the area of drying technology, a number of new applications were successfully introduced to the market during the reporting year. With the success of a vacuum drying system put into production in a meat processing operation, Bucher Process has gained a foothold in the large market segment devoted to freeze-drying.



The prohibition in many European countries against the spreading of wastewater sludge on agricultural fields has opened new markets for Bucher Process. By re-engineering its presses for recovering the highest possible dry mass through the processing of sludge (in contrast to standard dehydrating technology) Bucher Process has managed to dehydrate the sludge to the extent that it can be burned directly, without additional energy consumption. In Germany, the Wupperverband (an association of municipalities along the Wupper River in Nordrhein-Westfalen) purchased a dehydration plant with a Bucher press after completion of a six-month test phase, thus replacing the previously used decanter. This reference installation is an important step for Bucher Process as it seeks to enter the new markets of environmental technology.

Prospects for 2006 The high competitive pressure and difficult conditions for wine production plants could continue during the current year. Positive impetus is anticipated in the marketing of new products. Bucher Process expects world-wide stabilization in the market for fruit juice production. The slight increase in prices for fruit juice concentrate could further revive demand for substitutes and new investments in Europe. Entrance to the sludge dehydration market will not yet deliver any significant sales during the current year. The division is assuming a slight growth in sales and an improved operating result for the current year.





Applications for mobile, industrial and elevator hydraulics are our challenge. With top-level technical competence we develop customized drive systems in partnership with our clients. The dedication, expertise and initiative of our employees form the solid basis for our future.

Bucher Hydraulics

Our products make machines more efficient. Every day some 1000 people at Bucher Hydraulics give their best so that we continue being what we are: leading in the hydraulic component business.



Bucher Hydraulics

Activities Bucher Hydraulics is one of the world's leading developers and producers of customized system solutions for both mobile and industrial hydraulics. The division's broad range of products comprises pumps, motors, valves, power units, elevator drive systems and control units integrating the requisite electronics. With its production facilities and additional distribution companies operating throughout Europe, Asia and the USA, Bucher Hydraulics ensures proximity to its customers.

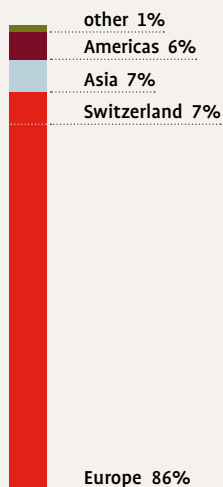
Highlights Bucher Hydraulics managed to continue the very satisfactory development of the previous year and increased sales by 10% to reach a total of CHF 269 million. Order intake grew by 5% to reach CHF 264 million. The division's operating result of CHF 27 million, was 28% above the already-high figure of the previous year. This very pleasing result was achieved in a positive cyclical market environment and thanks to substantial customer orders for serial production. The division contributed 14% to group sales (previous year 15%).

Key figures

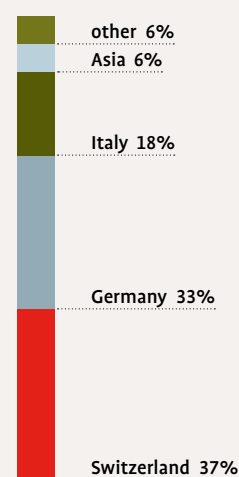
CHF million	2005	2004
Order intake	263.7	251.9
Net sales	268.8	243.7
Order book	46.1	47.4
Operating result (EBITDA)	36.9	31.9
Operating result (EBIT)	26.7	20.9
Number of employees at year end	1 036	990
Average number of employees during year	1 041	993

Geographic distribution

Net sales



Number of employees



Friendly market environment The cyclical upswing in the markets supplying Bucher Hydraulics, particularly the European industrial countries, continued undiminished during the reporting year. After a strong first half year, demand settled at a high level during the second. This was particularly the case for Bucher Hydraulics' important market segments for mobile hydraulics, consisting of agricultural engineering, construction machinery and materials handling. Demand in the wind energy and mining sectors were particularly lively during the year under review. In North America demand stabilized at previous years high level but orders from new customers further increased. Growth continued in China and almost reached the high growth rate seen in the previous year.

Sales and earnings increase During the reporting year Bucher Hydraulics had sales of CHF 268.8 million, thus surpassing the high figure of the previous year by 10.3% (10.1% adjusted for currency effects). Order intake grew by 4.7% to CHF 263.7 million resulting in growth of 4.5% adjusted for currency effects. The operating result of CHF 26.7 million was 27.8% above the best to-date figure recorded in 2004, thus setting a new milestone for the division. This highly satisfactory result can be attributed to a friendly market environment on the one hand, but also to our own ongoing efforts. The successful introduction of new valves for use in self propelled agricultural equipment bore the anticipated fruit after many years of development in collaboration with our customers. The increase in sales in the important agricultural engineering segment together with the introduction of a new range of valves and systems engineering contributed greatly to the positive business development. One example of systems engineering is the sophisticated hydraulic control systems used in wind farms for the generation of electric power. Indeed, new customers were acquired, thanks to comprehensive expertise in the wind energy applications paired with superior valve technology. The high volume of orders throughout the year under review resulted in production facilities working to capacity throughout the year, placing high demands on the timely delivery of the products. The division successfully managed to adapt its capacity to the increased demand by greater flexibility, additional temporary staff and close collaboration with selected suppliers. Developments in hydraulic passenger elevators were also very pleasing. Thanks to targeted sales activities in this segment, the volume of orders rose significantly.

Product innovation Bucher Hydraulics once again demonstrated its high level of competence in the development of customized hydraulic solutions. In addition, the division expanded its range of systems engineering and renovated its range of standard component products through the application of the most up-to-date development tools. All of the new hydraulic components introduced in the series were developed and optimised (to the extent demanded by their complexity) with the help of finite element calculations and 3D flow simulations. During the year under review, a new generation of current regulators was presented and introduced to the market. With their signifi-

Division management

Daniel Waller,
division president

Dieter Polzin,
finance and controlling

Matthias Vorbeck,
sales

Thomas Hunziker,
Bucher Hydraulics GmbH

Luca Bergonzini,
Bucher Hydraulics S.p.A.

Christian-Erik Thöny,
Bucher Hydraulics AG

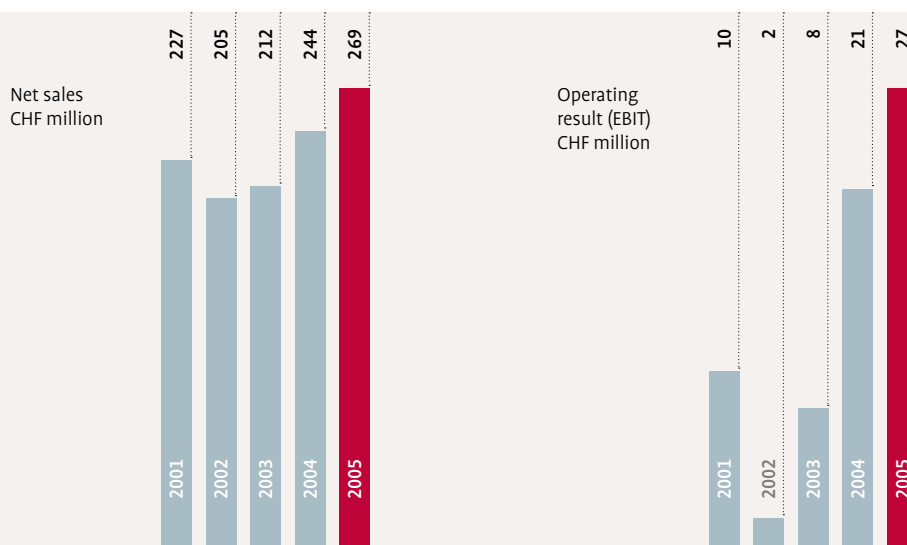
Aurelio Lemos,
Bucher Hydraulics AG Frutigen

as of 16 March 2006

cantly improved characteristics, these new regulators fully replaced the older generation. Thanks to the intensive application of computer-based simulation techniques, the development of a new family of load control valves could be successfully concluded. These valves are used to raise and lower heavy loads and satisfy the most demanding technical security requirements. The newest generation is not only considerably more compact, it also delivers a better performance than its predecessor.

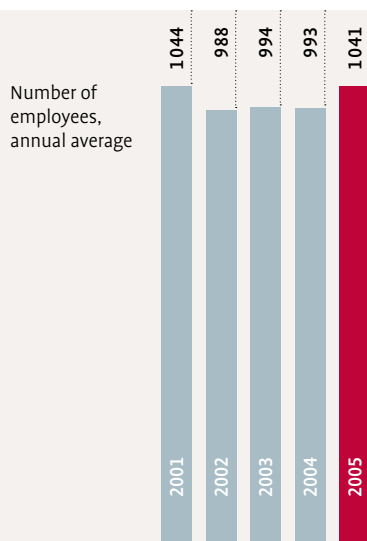
Reinforcing market presence Close contact with our customers, particularly with their product development departments, is an important key to the success of Bucher Hydraulics. For this reason we expanded and fortified the divisional sales structures and technical services organizations in all key regions around the globe. During the reporting year distribution was strengthened in Spain and Portugal, while a new and stronger sales organization was successfully launched in the USA for lift hydraulic activities. Early in 2005 the division opened a company in Japan for the sale and distribution of lift hydraulics. The sales and assembly company in China was augmented by European expertise in order to help expand the local sales and assembly activities, as well as to build up the business of finishing individual components locally. In 2006 Bucher Hydraulics will strengthen its activities in India with an own sales and production site. With this step Bucher Hydraulics now has a local presence in all of the world's important markets for hydraulic components.

Specialized production plants The development and production of the entire range of Bucher Hydraulics products is concentrated within specialized competence centres in Switzerland, Germany and Italy. Such specialization avoids product overlaps, increases cost efficiency and bundles the requisite development, application and production expertise. In this fashion the division en-



sure the necessary quality of components and functional groups, and the systematic ability to deliver paired with strong customer orientation. Investment in specialized and highly automated production centres contributed to the expansion of capacity and to production rationalization.

Prospects for 2006 Bucher Hydraulics believes that 2006 will generally be a year of stabilization in demand. In Germany, the most important sales market in Europe, we anticipate the market to remain at the very high level of previous year. In contrast, sales growth is anticipated in other European countries as well as the USA and China. The large-scale series production for the new generation of directional control valves will begin in the second half of the year. A new and highly modern manufacturing cell and assembly cell will be built. The introduction of this series will show a positive impact on sales figures during the course of the year. Overall, the division anticipates a further growth in sales and operating results that are basically comparable to the previous year.





Glass is a valuable, recyclable raw material that has fascinated human beings for millenia. Every year over 200 billion glass containers are produced. We build machines for this, which set global quality standards for their precision. An open and stimulating working environment supports our employees in their daily quest for improvements.

Emhart Glass

Our machines produce lighter yet stronger glass containers. Every day some 900 people at Emhart Glass give their best so that we continue being what we are: leading in production plants for glass containers.



Emhart Glass

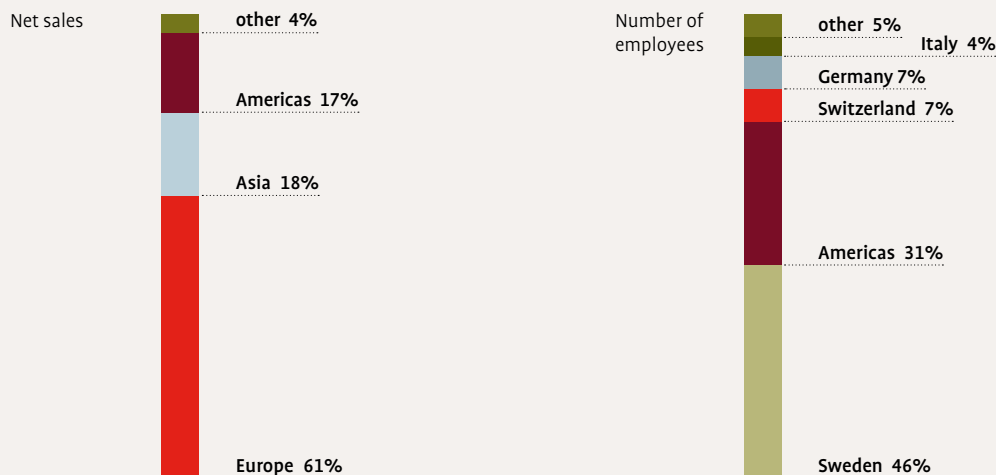
Activities Emhart Glass focuses on the machinery and installations concerned with the manufacture of glass containers. Indeed, on the strength of its high innovative capacity, Emhart Glass is the global market and technology leader in equipping the glass container industry. Its range of products comprises glass forming and inspection machines, plants, components and spare parts plus advice and support. Production facilities can be found in Sweden, the United States, in Germany and Italy. Emhart Glass is headquartered in Switzerland; its research and development centre is located in the United States.

Highlights Emhart Glass increased its sales in 2005 by 20% to a total of CHF 321 million, despite order intake dropping by 13% to CHF 316 million. Omitting the exceptional large orders of the previous year amounting to CHF 80 million, however, order intake was 12% above the previous year. The operating result was partially offset by one-off costs for the settlement of a legal dispute (in the high single digit millions) and higher development costs for thermally-strengthened glass containers of CHF 4.6 million. With these setbacks, the operating result of CHF 17 million was only 10% below the prior-year figure. As in the previous year divisional contribution to group sales amounted to 16%.

Key figures

CHF million	2005	2004
Order intake	316.0	362.0
Net sales	321.3	268.1
Order book	144.4	149.7
Operating result (EBITDA)	22.7	24.5
Operating result (EBIT)	16.6	18.4
Number of employees at year end	849	845
Average number of employees during year	851	855

Geographic distribution



Market environment After the lively market of 2004, from which Emhart Glass was able to profit in the form of exceptional large orders in Europe amounting to more than CHF 80 million, the year under review was one showing weaker demand from Europe, the USA and from Japan. Projects with customers from these regions were delayed and, in the USA, an Emhart Glass client of many years was forced to declare bankruptcy. This drop in investments in the Western hemisphere stood in contrast to market growth in Eastern Europe, the Middle East and South America. The demand for components and spare parts meant a positive development for Emhart Glass, which moved ahead of the prior-year figure. Growth in drinks packaging flattened out for PET containers while glass containers once again regained some market share, particularly in Eastern Europe. The market share for glass containers consisted of 25–30% of the global market for drink packaging.

Strong sales growth Emhart Glass was able to profit in 2005 from the high order book at the beginning of the reporting year, bringing in sales amounting to CHF 321.3 million, which is 19.8% above the figure of the previous year. Adjusted for currency effects, this increase amounted to 19.5%. Order intake of CHF 316.0 million dropped by 12.7%, or 13.0% adjusted for currency effects. Without taking the exceptional large orders of 2004 into account, order intake nevertheless came in at 12.1% above that year. The operating result was partially offset by one-off costs for the settlement of a legal dispute (in the high single digit millions) and higher development costs for thermally strengthened glass containers in the amount of CHF 4.6 million. With these setbacks, the operating result, which came in at CHF 16.6 million, was only 9.8% below the prior-year figure. Emhart Glass continued to improve efficiency in 2005 by its consistent and ongoing implementation of the Six Sigma method for the improvement of quality and customer satisfaction in all areas of activity and, in particular, its outstanding spare parts logistics.

During the year under review Bucher Industries AG acquired a 23.4% stake in the German Jetter AG, which specializes in automation systems and components and in control engineering. The company is a development partner of Emhart Glass and supplies electronic controls for the latest generation of servo-electrical NIS glass forming machines.

Technologies of the future Manufacturers of glass containers are faced with the highest of demands, both technologically and economically. With its new servo-electrical NIS glass forming machines, Emhart Glass is the technology leader and without competition to date. Flexis, the control concept based on JetWeb technology, optimises the entire glass container manufacturing process, not only by controlling the individual glass forming machines, but by connecting them with each other.

Division management

Martin Jetter,
division president

Bertil Bjugård,
logistic and manufacturing

William Grüninger,
customer service and projects

Joachim Knauer,
Emhart Glass GmbH, Neuss

Joseph F. Laundry,
inspection machines

Carlo Mobayed,
sales

Edward Munz,
business development

Steven J. Pinkerton,
research and development

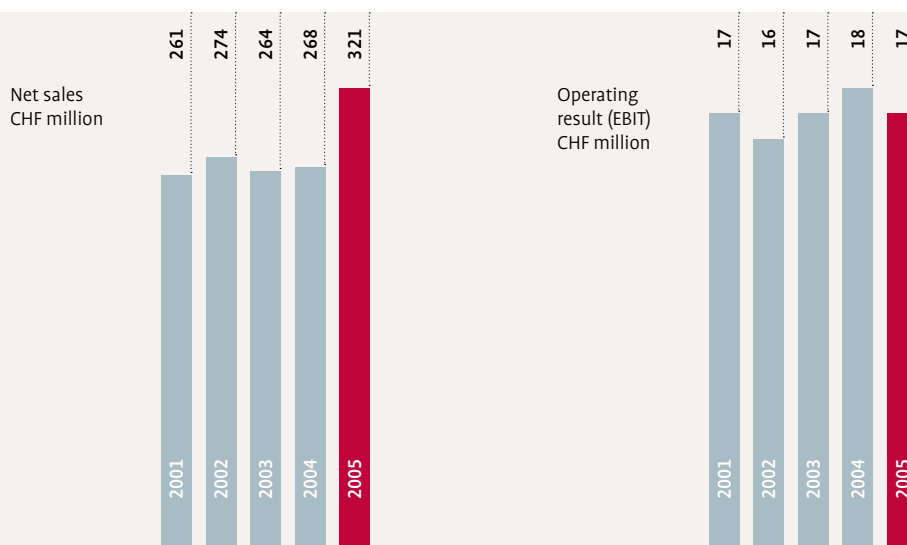
Ngiep Lin Wong,
finance and controlling

as of 16 March 2006

The standards for ensuring the flawless quality of the glass containers are also increasing in connection with the glass forming machines. This is why the division developed Veritas, a newly conceived range of inspection machines.

In its competition with PET and other packaging materials the glass container industry has for some time been seeking to develop more resistant, thinner and thus lighter glass containers. The prerequisite for this is the ability to constantly and precisely control the process of manufacturing glass containers. Emhart's servo-electrical NIS glass forming machines provide unique advantages here compared to the classic pneumatic forming machines. Here, the division is making a quantum leap in that the newly developed processing principle for thin-walled glass containers integrates the thermal strengthening process directly in the NIS glass forming machine. Indeed, in the fourth quarter of 2005, after previously verifying the feasibility in a glass production facility in 2004, 100 000 glass containers were successfully produced in an industrial environment in accordance with the new processing principle. The first statistical appraisals are very gratifying and are useful in optimising the process of manufacturing the prototype machines by the end of 2006. The market launch of this machine generation is not to be expected before 2008/2009, however. Emhart Glass invested CHF 4.6 million in this future-oriented project during the year under review and around an additional CHF 6 million are planned for the current year.

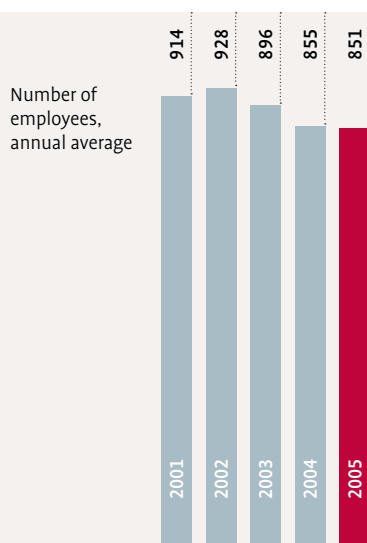
Reinforcing market presence Emhart Glass continued to expand its market presence in 2005. The division optimized the delivery of its services and scheduling and intensified on-site customer contacts with systematic planning. Emhart Glass implemented these measures efficiently, thanks to its local presence in all regions of the world, and gained additional market share.



Management change Kurt E. Siegenthaler, who headed Emhart Glass since 1993, retired from his operational management at the end of 2005. Martin Jetter, CEO of Jetter AG, succeeded Kurt E. Siegenthaler as head of Emhart Glass at the beginning of 2006. Martin Jetter reduced his operative functions in Jetter AG in mid 2005 in order to confine his activities to the strategic management of the Jetter AG.

Kurt E. Siegenthaler continued to successfully head Emhart Glass after its acquisition by Bucher Industries in 1998. Under his management, the comprehensive product range of today was fundamentally re-thought, re-developed and successfully brought to market.

Prospects for 2006 The demand for machinery and equipment for glass container production facilities is likely to stabilize in the current year. A weakening impetus to invest is anticipated in Western Europe, the USA and in Japan. On the other hand Eastern Europe, including Russia, the Middle East and South America could continue to show positive developments. Price pressure, in particular with inspection machinery, could heighten due to the competitive situation. The anticipated continued gain in market share will not entirely compensate for the large scale orders which positively influenced sales in 2005. For these reasons Emhart Glass foresees a drop in sales for the current year, but coupled with an improved operating result.



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Comment on the consolidated financial statement 2005

Targeted acquisitions strengthen market position On 1 January 2005, the group acquired Companhia de Implementos Agrícolas MTS for the equivalent of CHF 36.0 million. Then on 31 March 2005, Bucher Industries took over the European and Australian sweeper operations of Johnston Sweepers Ltd., UK. The purchase price was GBP 1 plus the assumption of approximately CHF 33 million in financial liabilities. During 2005, the group acquired a total stake of 23.4% in German-based Jetter AG in two stages. Overall, Bucher Industries paid a price of EUR 7.2 million, acquiring a 13.4% interest by subscribing for shares in an authorized unissued capital increase and a 10% interest by buying shares directly from shareholders.

Organic sales growth of 9.1% Order intake was up 8.6%, with currency effects of only +0.6%. Acquisitions contributed +9.1% so organic order intake was 1.1% down. Net sales increased by 18.7% to CHF 1 948.3 million. Foreign currency had an impact of +0.5%, while acquisitions and organic growth each contributed 9.1%. The order book grew by CHF 43.4 million to CHF 523.7 million. Currency effects were insignificant at CHF 2.4 million; with acquisitions having an impact of CHF 56.5 million, the order book showed an internal decline of CHF 15.5 million.

Record operating results EBITDA was up by CHF 18.6 million or 12.6% to a new record of CHF 166.4 million. However, the EBITDA margin fell from 9.0% to 8.5%. This was due in particular to the continually rising energy and raw material prices, an increase of CHF 9.3 million in development costs to CHF 63.4 million, and the out-of-court settlement paid by Emhart Glass in the upper single digit millions. Accordingly, the ratio of material expenses to operating revenues (net sales +/- changes in inventories) rose to 52.7% (2004: 50.5%). Operational improvements reduced the ratio of personnel expenses to operating revenues from 26.2% to 24.9%. Depreciation was slightly higher at CHF 40.1 million (CHF 38.7 million), primarily due to acquisitions. With the elimination of goodwill amortization charges, at CHF 11.0 million a year earlier, amortization dropped from CHF 17.9 million to CHF 8.5 million. EBIT climbed by CHF 26.6 million or 29.2% to CHF 117.8 million, rising from 5.6% of net sales to 6.0%.

Favourable currency movements boost financial result Overall, the financial result improved by CHF 12.8 million to a positive CHF 3.3 million. Net interest expense was up by CHF 1.7 million due to higher annual average borrowings and increased financing denominated in currencies with higher interest rates, such as the GBP, AUD and BRL. The interest coverage (EBITDA / net interest expense) was 14.5 (2004: 15.1). The reported securities result was down by CHF 0.6 million to CHF 5.1 million. However, including the fair value adjustments on financial instruments that are recognized directly in equity, net securities gains totalled CHF 13.6 million compared to CHF 8.8 million a year earlier, which in particular reflects the positive sentiment in equity markets. The group's foreign exchange result benefited from the stronger exchange rates, especially for the USD, and improved by CHF 15.9 million to a positive CHF 10.1 million, of which CHF 7.5 million is unrealized.

Improved tax rate and marked growth in net result While income tax rose by CHF 7.7 million to CHF 35.0 million, the tax rate improved by 4.5 percentage points to 28.9%. This can be ascribed to the positive results in virtually all the companies, combined with opportunities to offset tax loss carryforwards. The group's net result for the year was up by CHF 31.7 million or 58.3% to CHF 86.1 million, representing a 4.4% return on sales (2004: 3.3%).

Higher returns on net assets and equity Net liquidity decreased by CHF 22.8 million year on year to CHF 69.0 million. The group spent CHF 35.7 million on acquisitions and assumed additional debt of CHF 50.0 million in connection with businesses acquired. Nevertheless, the financial structure was optimized at year end with cash, cash equivalents and securities being reduced by CHF 56.7 million to CHF 348.0 million and short-term financial liabilities by CHF 31.3 million to CHF 44.8 million. Long-term financial liabilities remained unchanged. Equity grew by CHF 113.1 million to CHF 638.5 million. This was due not only to the net result of CHF 86.1 million for the year but also to CHF 29.8 million in currency translation reserves (impact of foreign exchange movements) and CHF 8.5 million from changes in the fair value of financial instruments. A total of CHF 14.2 million (2004: CHF 9.7 million) was paid in dividends. The equity ratio rose from 35.2% to 38.1%, while the return on equity improved substantially from 10.7% to 14.8%. Financial assets and investments grew by CHF 12.3 million to CHF 29.1 million, primarily due to the stake acquired in Jetter AG. Property, plant and equipment was up by CHF 44.2 million as a result of higher capital expenditure of CHF 51.7 million (2004: CHF 36.6 million). Intangible assets grew by CHF 30.1 million to CHF 78.7 million, with goodwill on acquisitions accounting for CHF 46.8 million (2004: CHF 24.8 million). Goodwill represented 7.3% of equity (2004: 4.7%). Current and non-current provisions increased by CHF 16.7 million to CHF 84.4 million, with acquisitions contributing CHF 7.8 million. Net operating assets were up by CHF 119.1 million, of which CHF 83.4 million came from acquisitions. Even so, the return on net operating assets (RONOA) rose from 12.1% to 14.8%. Operating free cash flow decreased from CHF 119.6 million to CHF 61.8 million, mainly because of increases of CHF 31.2 million in net working capital and CHF 15.1 million in capital expenditure. Free cash flow further fell from CHF 120.9 million to CHF 1.7 million due to acquisition payments totalling CHF 35.7 million.

Acquisitions increase employee numbers At the year end on 31 December 2005, the group employed 6 874 people, up by 1 092. The acquisitions of Kuhn Metasa and Johnston Sweepers added 1 064 to the headcount. The average number of employees for the year increased at a slightly lower rate than net sales, rising 18.0% to 6 836, while net sales per employee remained constant at CHF 285 000.

Higher shareholder value By introducing a single class registered share, the company improved its share liquidity and laid a sound foundation for future growth. During 2005, Bucher's share price climbed by 107.1% to CHF 104.80, bringing its market capitalization to CHF 1.1 billion at year end. Earnings per share rose 57.9% to CHF 8.70. The proposed dividend has been increased by 50.0% to CHF 2.10.

Consolidated balance sheet at 31 December 2005

	CHF million	Notes	%			
			2005	2004		
Assets	Current assets					
	Cash and cash equivalents		216.1	12.9	296.6	19.9
	Securities	4	131.9	7.9	108.1	7.2
	Trade receivables	5	400.9	23.9	322.1	21.6
	Other receivables	5	48.4	2.9	46.7	3.1
	Inventories	6	455.9	27.2	397.8	26.6
	Total current assets		1 253.2	74.8	1 171.3	78.4
	Non-current assets					
	Non-current receivables	7	14.6	0.9	14.4	1.0
	Deferred tax assets	8	32.7	2.0	20.3	1.4
	Financial assets and investments	9	29.1	1.7	16.8	1.1
	Property, plant and equipment	10	266.5	15.9	222.3	14.8
	Intangible assets	11	78.7	4.7	48.6	3.3
	Total non-current assets		421.6	25.2	322.4	21.6
	Total assets		1 674.8	100.0	1 493.7	100.0
Liabilities and equity	Current liabilities					
	Financial liabilities	13	44.8	2.7	76.1	5.1
	Trade payables		231.4	13.8	209.5	14.0
	Customer advances		169.1	10.1	156.9	10.5
	Income tax liabilities		22.3	1.3	15.5	1.0
	Employee benefits		23.4	1.4	21.5	1.5
	Provisions	12	70.3	4.2	53.3	3.6
	Other liabilities		156.8	9.4	124.1	8.3
	Total current liabilities		718.1	42.9	656.9	44.0
	Non-current liabilities					
	Financial liabilities	13	234.2	14.0	236.8	15.8
	Deferred tax liabilities	8	30.0	1.8	22.0	1.5
	Retirement benefit obligations		27.0	1.6	25.5	1.7
	Provisions	12	14.1	0.8	14.4	1.0
	Other liabilities		12.9	0.8	12.7	0.8
	Total non-current liabilities		318.2	19.0	311.4	20.8
	Equity					
Attributable to shareholders of Bucher Industries AG		631.9	37.7	519.5	34.8	
Attributable to minority interests		6.6	0.4	5.9	0.4	
Total equity		638.5	38.1	525.4	35.2	
Total liabilities and equity		1 674.8	100.0	1 493.7	100.0	

Consolidated income statement 2005

CHF million	Note	%		%	
		2005		2004	
Net sales	1	1 948.3	100.0	1 640.9	100.0
Changes in inventories		16.5	0.8	3.0	0.2
Material expenses	14	-1 036.3	-53.2	-830.4	-50.6
Personnel expenses	15	-488.9	-25.1	-431.3	-26.3
Other operating revenues	16	19.4	1.0	14.3	0.9
Other operating expenses	17	-292.6	-15.0	-248.7	-15.2
Operating result before depreciation and amortization (EBITDA)		166.4	8.5	147.8	9.0
Depreciation		-40.1	-2.1	-38.7	-2.3
Amortization		-8.5	-0.4	-17.9	-1.1
Operating result (EBIT)		117.8	6.0	91.2	5.6
Financial result	18	3.3	0.2	-9.5	-0.6
Result before tax		121.1	6.2	81.7	5.0
Income tax	19	-35.0	-1.8	-27.3	-1.7
Net result for the year		86.1	4.4	54.4	3.3
Attributable to shareholders of Bucher Industries AG		85.3		53.7	
Attributable to minority interests		0.8		0.7	
Earnings per share in CHF	20	8.70		5.51	
Diluted earnings per share in CHF	20	8.66		5.50	

Consolidated cash flow statement 2005

CHF million	Note	2005	2004
Net result for the year		86.1	54.4
Adjustments for:			
Income tax		35.0	27.3
Depreciation and amortization		48.6	56.6
Acquisitions and proceeds from disposal of subsidiaries		-4.0	2.7
Result from associated companies		-0.6	-
Gains on sale of non-current assets		-0.7	-1.3
Net interest expense		11.5	9.8
Interest received		4.4	2.7
Interest paid		-15.5	-12.5
Income tax paid		-30.7	-27.1
Other operating cash flow items		0.6	2.0
Cash flow from operating activities before changes in net working capital and provisions		134.7	114.6
Change in provisions		9.7	8.2
Change in net working capital	21	-31.2	31.4
Cash flow from operating activities		113.2	154.2
Purchases of property, plant and equipment		-51.7	-36.6
Proceeds from sale of property, plant and equipment		1.6	3.0
Purchases of intangible assets		-1.3	-1.0
Purchases of financial assets, investments and securities		-12.2	-1.0
Proceeds from sale of financial assets, investments and securities		2.0	13.5
Acquisition of subsidiaries	3	-24.5	-
Acquisition of associates		-11.2	-
Disposal of subsidiaries	3	-	-1.5
Cash flow from investing activities		-97.3	-23.6
Change in treasury shares		1.2	0.9
Proceeds from long-term financial liabilities		0.5	6.4
Repayment of long-term financial liabilities		-3.7	-5.4
Change in short-term financial liabilities		-84.1	-20.7
Dividend paid		-14.2	-9.7
Cash flow from financing activities		-100.3	-28.5
Effect of exchange rate changes		3.9	-2.5
Net change in cash and cash equivalents		-80.5	99.6
Cash and cash equivalents at 1.1.		296.6	197.0
Cash and cash equivalents at 31.12.		216.1	296.6

Consolidated statement of changes in equity 2005

CHF million	Share capital	Share premium reserves	Retained earnings	Currency translation reserves	Treasury shares	Fair value adjustments on financial instruments	Attributable to share holders of Bucher Industries AG	Attributable to minority interests	Total equity
Balance at 1.1.04	2.1	66.6	476.9	-37.2	-43.0	17.0	482.4	5.2	487.6
Change in currency translation reserves				-12.3			-12.3		-12.3
Change in fair value of financial instruments						3.1	3.1		3.1
Net income/expense recognized directly in equity				-12.3		3.1	-9.2		-9.2
Net result for the year			53.7				53.7	0.7	54.4
Total recognized income for the year			53.7	-12.3		3.1	44.5	0.7	45.2
Change in treasury shares			-3.3		5.6		2.3		2.3
Dividend			-9.7				-9.7		-9.7
Balance at 31.12.04	2.1	66.6	517.6	-49.5	-37.4	20.1	519.5	5.9	525.4
Change in currency translation reserves				29.8			29.8		29.8
Change in fair value of financial instruments						8.5	8.5		8.5
Net income/expense recognized directly in equity				29.8		8.5	38.3		38.3
Net result for the year			85.3				85.3	0.8	86.1
Total recognized income for the year			85.3	29.8		8.5	123.6	0.8	124.4
Change in treasury shares			0.7		2.2		2.9		2.9
Dividend			-14.1				-14.1	-0.1	-14.2
Balance at 31.12.05	2.1	66.6	589.5	-19.7	-35.2	28.6	631.9	6.6	638.5

Share capital

CHF million		2005	2004
Registered shares			
Par value	CHF	0.20	0.20
In issue and ranking for dividend	number	10 565 900	3 487 500
Authorized but unissued	number	1 184 100	137 500
Treasury shares	number	743 120	
Bearer shares			
Par value	CHF		1.00
In issue and ranking for dividend	number		1 415 680
Authorized but unissued	number		209 320
Treasury shares	number		160 874
Issued share capital	CHF million	2.1	2.1

As regards treasury shares, please refer to Notes to the financial statements of Bucher Industries AG on page 97.

Notes to the consolidated financial statements

Corporate accounting principles

Basis of preparation The consolidated financial statements have been prepared in Swiss francs (CHF) in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention, except for certain assets and liabilities that are required to be measured at fair value. The International Accounting Standards Board (IASB) issued a large number of revised and new standards in the period from 2003 to 2005. These comprised the “Improvements to International Accounting Standards” covering revisions to 14 existing standards, IFRS 2 “Share-based Payments”, IFRS 3 “Business Combinations”, IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” and amended versions of IAS 36 “Impairment of Assets” and IAS 38 “Intangible Assets”. The group adopted these changes on 1 January 2005. One exception is IFRS 2 “Share based Payments” which was already adopted in 2004. Furthermore, the IASB amended IAS 21 “The Effects of Changes in Foreign Exchange Rates” in November 2005, dropping the restriction on the recognition in equity of foreign exchange gains and losses on intra-group loans forming part of a net investment in foreign operations. This change has been adopted early in the financial statements presented for the year ended 31 December 2005 in that the practice applied in the past was maintained throughout the year. The various standards that have significantly impacted the consolidated financial statements of Bucher Industries are discussed below.

Under IAS 1 “Presentation of Financial Statements” (revised), minority interests must be presented as a component of equity and not as a separate category in the consolidated financial statements. Minority interests are no longer deducted when calculating the group’s net result. This treatment had the effect of increasing the group’s equity at 1 January 2005 by CHF 5.9 million. The presentation of the year-earlier figures has been adjusted retrospectively. Earnings per registered share are still calculated on the basis of the net result attributable to parent company shareholders only.

IFRS 2 “Share-based Payments” requires that the fair value of any equity-settled awards to employees or other parties is recognized as an expense. The costs of share plans were charged to personnel expenses as in previous years. The fair value of options granted to employees under share option plans is determined, charged to personnel expenses and credited to equity. Their fair value is recognized pro rata over the periods to vesting and adjusted by actual awards. The group already adopted this standard in the financial statements for the year ended 31 December 2004. The impact on the consolidated financial statements was insignificant.

IFRS 3 “Business Combinations”, IAS 36 “Impairment of Assets” and IAS 38 “Intangible Assets”: one requirement is that goodwill may no longer be amortized on a straight-line basis but must only be written down as and when a permanent impairment is determined. This requires goodwill to be tested for impairment annually, or immediately if there are indications that it might be impaired. For acquisitions made after 1 April 2004, the purchase price must be allocated to identifiable assets and liabilities as far as possible. Significant components of purchase price are allocated to intangible assets, such as trademarks, patents, customer relationships and licenses, and subsequently amortized in the income statement on a straight-line basis over their estimated useful economic lives. The financial statements at 31 December 2004 still included goodwill amortization of CHF 11.0 million which has been eliminated in the 2005 financial year.

With the exception of the elimination of goodwill amortization, the first-time adoption of the new standards has not resulted in significant changes that impact the comparability of the consolidated financial statements for 2004 and 2005.

Various new IFRS requirements took effect on 1 January 2006. No standards except the above-mentioned IAS 21 "The Effects of Changes in Foreign Exchange Rates" have been adopted early. An initial provisional assessment by group management indicates that they will have no or only marginal effects on the consolidated financial statements.

The preparation of a consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities and disclosure of contingent liabilities and assets at the date of the financial statements. Actual results may differ from these estimates. The consolidated financial statements will be adjusted in the reporting year in which the circumstances change.

Most significant accounting estimates Intangible assets are tested for impairment annually, while other assets are tested only when there is an indication that they may be impaired. To determine whether assets are impaired, various assumptions and estimates of future cash flows expected from their use and eventual disposal are made and discounted. Actual cash flows may differ from such estimates of future cash flows.

Assumptions and estimates are required to determine current and deferred income tax assets and liabilities. Deferred tax assets are recognized primarily for temporary differences and, in specific cases, also for tax loss carryforwards, provided that tax liabilities exist and realization is probable. This means that their measurement is based on forecasts by the companies concerned and on assessments of tax legislation and regulations. If these forecasts and assessments prove to be incorrect, impairment may result.

Provisions are made for a variety of potential events. Warranty provisions are based on estimates made by applying historical data for the previous two years to current sales. Management carefully estimates the other provisions based on information currently available. Actual cash outflows and their timing may differ significantly depending on the outcome of events.

Most of the pension schemes operated by the Group are defined contribution plans. However, defined benefit plans are also provided in various countries. The calculation of defined benefit obligations is based on actuarial assumptions that may differ from actual results.

Basis of consolidation The consolidated financial statements incorporate the financial statements of Bucher Industries AG based in Niederweningen, Switzerland, and all its Swiss and foreign group companies in which Bucher Industries AG exercises control by directly or indirectly holding more than 50% of the voting rights or has secured control through contractual arrangements. Under the full consolidation method, the assets, liabilities, income and expenses of the companies included in the consolidation are incorporated in full. Minority shareholders' interests in equity and results are reported separately in the consolidated balance sheet and income statement. The consolidated financial statements are based on the group companies' financial statements prepared at 31 December using uniform accounting policies. The individual companies prepare their financial statements in accordance with their national requirements and generally accepted accounting principles. These financial statements are then presented applying consistent classification and measurement rules for the consolidation. Intercompany balances, transactions, cash flows and unrealized profits are eliminated. Intercompany transactions are conducted on normal commercial terms and conditions. The purchase method of accounting is used to account for acquisitions. Under this method, the fair value of the identifiable assets and liabilities of companies acquired is determined at the date when they are consolidated for the first time and is compared to the cost of acquisition. Resulting goodwill is capitalized and, until the end of 2004, was amortized on a straight-line basis over its estimated useful life, generally not more than 5 years. Starting in 2005, goodwill is no longer amortized on a straight-line basis but is tested for impairment annually, or immediately if there is an indication that it may be impaired. Goodwill is capitalized in the company acquired and thus recorded in its local currency. Group companies acquired are consolidated from the date on which control is transferred to the group and companies sold are de-consolidated from the date that control ceases. Associates where Bucher Industries owns between 20% and 50% of the equity and has a significant influence are accounted for using the equity method. Under this method, the group recognizes its share of the associate's net profit in the financial result and its share of net assets as investments in associates. All group companies included in the consolidation make up their financial statements to 31 December.

Foreign currency translation In the group companies, transactions in foreign currencies are translated at the exchange rates prevailing at the dates of the transactions while foreign currency assets and liabilities are translated at year-end exchange rates. Resulting foreign exchange gains or losses are recognized in the financial result in the income statement. Exchange differences arising from the translation of intra-group foreign currency loans forming part of the group's investment in foreign operations are either charged or credited to equity. On realization, the cumulative exchange differences are recognized in the income statement. For consolidation purposes, balance sheets prepared in foreign currencies are translated into Swiss francs at year-end (middle) exchange rates. Expenses, income and cash flows presented in income and cash flow statements denominated in foreign currencies are translated at average exchange rates for the year (average of the 12 month-end middle exchange rates). Resulting differences are taken to translation reserves as a component of equity.

Financial risk management / financial instruments

Risk policy The group is exposed to a variety of financial risks relating primarily to changes in foreign exchange and interest rates and to movements in the prices of securities, financial assets and investments. Management monitors these risks on an ongoing basis. Derivative financial instruments are used, where appropriate, to manage exposure to risks associated with such fluctuations. The group has policies and regulations in place for managing liquid assets, financial assets and investments, for raising short- and long-term loans and for managing exposure to foreign currency, interest rate, market, credit and liquidity risk. It does not engage in any financial transactions that involve an unpredictable risk at the time when the transactions are entered into. As the group only hedges recognized assets and liabilities and highly probable forecast transactions, it expects declines in the value of these instruments to be largely offset by increases in the value of the hedged transactions.

Foreign currency risk The group reports in Swiss francs and operates in markets where it is primarily affected by fluctuations in the exchange rate against the euro, pound sterling and US dollar. Most revenues and expenses are denominated in the group companies' local currencies so foreign currency risk only arises on the remaining portion of their cash flows. In addition, these cash flows are netted out wherever possible at group level in order to further minimize the foreign currency risk. Foreign currency risk on cash inflows and outflows is partially hedged using forward exchange contracts, currency swaps and options, as appropriate to the risk assessment. Net investments in foreign group companies are not hedged.

Interest rate risk Long-term funding and associated interest rate management activities are carried out centrally by the Group. The Group manages interest rate risk through the ratio of fixed to floating rate debt and ensures a good balance between current and non-current liabilities. In order to optimize this mix, the Group may use interest rate derivatives, such as interest rate swaps and interest rate options.

Price risk The group's investments in securities are placed in money market investments, bonds and shares (largely through investment funds) in compliance with the group's investment guidelines. The price risk on these positions is managed very selectively and monitored on an ongoing basis using performance analyses.

Credit risk All contracts are with highly rated domestic and foreign banks. The group invests short-term funds with institutions that have a good international risk rating. Other financial investments are made in marketable securities with a strong credit rating. Given the group's diversified customer base, the credit risk on trade receivables is limited. Its customers operate in different industries spread across diverse geographical areas worldwide. Furthermore, risk is usually minimized through insurance cover, advance payment schemes, letters of credit or other instruments. The group has no concentrations of credit risk.

Liquidity risk Group treasury ensures an optimum level of liquidity within the group. Funds in Swiss francs and other currencies are invested and raised with highly rated domestic and foreign banks.

Financial instruments/measures As required by IAS 39, available-for-sale financial assets are stated at Fair Value and unrealized gains or losses are recognized in equity and not included in the income statement until they are realized. Receivables and current liabilities are stated at amortized cost using the effective interest rate method. All derivative financial instruments are stated at fair value, with changes in fair value recognized in the income statement. Hedge accounting (as defined in IAS 39) is not applied. Derivative financial instruments are included in prepayments or accruals as applicable.

Cash and cash equivalents Cash and cash equivalents comprise cash in hand, balances in postal and bank accounts, and fixed deposits maturing within 3 months. Cash, cash equivalents and fixed deposits are stated at their nominal value.

Securities Securities comprise marketable, readily realizable investments classified as available for sale. They are stated at fair value based on traded market prices, with any unrealized gains and losses recognized in equity as fair value adjustments on financial instruments. When these securities are sold or impaired, the associated gains or losses previously recognized in equity are taken to the financial result.

Receivables Receivables are stated at their fair value, net of specific allowances for known credit risks and country-specific transfer risks. General allowances for estimated irrecoverable amounts are made, based on historical experience, to cover risks inherent in receivables for which no specific allowances have been made. Non-current receivables are discounted where appropriate.

Inventories Inventories are stated at the lower of cost and net realizable value. Cost is generally determined using the weighted average method or, in specific cases, on a first-in, first-out basis. Long-term contracts are valued using the percentage-of-completion method. Where necessary, provision is made for all foreseeable losses on work in progress and obsolete or slow moving items.

Financial assets and investments These assets include investments in associates and unconsolidated companies, long-term loans and other financial assets. Investments of less than 20% are recorded as investments in unconsolidated companies and stated at cost if the companies are not listed, with unrealized gains and losses recognized in equity. When they are sold or impaired, the associated gains or losses previously recognized in equity are taken to the financial result. Long-term loans and other financial assets are stated at their nominal value.

Property, plant and equipment Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. Depreciation is based on the following useful lives:

	Years
Buildings	10 – 50
Plant and machinery	5 – 12
Furniture, fixtures and equipment	5 – 15
Office machinery, computer equipment, vehicles	2 – 7

Assets of low value are expensed directly to the income statement. Borrowing costs are recognized as an expense. Assets held under finance leases are capitalized at the lower of their fair value and the present value of the future minimum lease payments and are depreciated over the shorter of their estimated useful lives and the lease term. The related lease obligations are shown as liabilities.

Intangible assets Purchased intangible assets, such as licences, patents and similar rights, that will generate sustainable economic benefits are capitalized and amortized on a straight-line basis over their expected remaining useful lives. Goodwill arising on acquisitions is capitalized and tested for impairment annually. Goodwill may also arise on investments in associates and is included under the appropriate heading in financial assets and investments. Research expenditure is recognized in the income statement as an expense as incurred. Development costs for major projects are capitalized only if the future economic benefits will be sufficient to recover the amount capitalized and if the other IFRS criteria are met.

Provisions Provisions are recognized when the group has a legal or factual obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Net sales/revenue recognition Revenue from the sale of goods and services is recognized when the goods are delivered or services performed. Sales under long-term contracts are recognized using the percentage-of-completion method, ie. according to the stage of completion. Cost estimates are used in determining the stage of completion. Sales are recorded net of accruals for sales deductions, such as sales incentives, commissions, rebates and discounts.

Operating free cash flow/free cash flow As defined within the group, operating free cash flow represents cash flow from operating activities less net capital expenditure on operating assets. Operating free cash flow shows the cash flow surplus, or shortfall, remaining after the group's financial operating needs have been met. Operating free cash flow after cash flow from financing activities, dividend payments to third parties, acquisitions and disposals represents free cash flow. Free cash flow shows how much of the cash generated during the year is available to repay debt and to take advantage of strategic investment opportunities.

Taxes Provision is made for all current and future tax liabilities. Current income tax is calculated on taxable profit for the year. Taxes that are not based on taxable profit, eg. property and capital taxes, are charged to operating or financial expenses according to the category of tax. Deferred income tax is provided using the liability method for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is determined using tax rates applicable to the respective group companies. Potential tax benefits arising from tax losses carried forward and temporary differences are recognized only to the extent that it is probable that they will be realized through future taxable profits against which the losses can be utilized. Furthermore, provision is made for additional income taxes that arise from the distribution of retained profits by foreign companies if such distributions are currently planned.

Retirement benefits Most employees are covered by pension schemes which are funded by contributions from the group companies, or state concerned, and employees. The group operates a number of defined benefit and defined contribution pension plans. The majority of these pension schemes are of the defined contribution type. The assets of the pension schemes in Switzerland, the USA and the UK are held in separate trustee administered funds, mostly classified as defined benefit plans. In application of IAS 19, employer contribution reserves and assets of voluntary employer-sponsored hardship funds are recognized as assets. The available assets in Swiss pension schemes are not recognized as assets because it is not believed that the surplus can be used to generate future economic benefits as defined in IFRS. Future obligations in respect of defined benefit pension plans are usually calculated every three years by actuaries using the projected unit credit method. Actuarial gains and losses arise mainly from changes in actuarial assumptions and from differences between actuarial assumptions and what has actually occurred. Actuarial adjustments or effects of plan amendments in excess of the greater of 10% of the fair value of plan assets or 10% of the defined benefit obligation are charged or, if the criteria for asset recognition are met, credited to employee benefit expense over the average remaining service lives of employees participating in the plan. Other surpluses in pension schemes are recognized as an asset only to the extent that economic benefits will actually be available to the group in the form of refunds or reductions in future contributions to the plan.

Share-based payments (IFRS 2) Every year the group determines share-based payment schemes for directors and members of the group management and division managements. These share-based payment schemes comprise share option plans. The fair value of options granted to employees under share option plans is determined, charged to personnel expenses and recorded in equity, with their fair value being spread pro rata over the periods to vesting. The shares to meet awards under these share-based payment schemes are purchased in the open market and held by Bucher Beteiligungs-Stiftung, a fully consolidated employee share ownership trust.

Segment reporting The segment information presented reflects the operational and management structure of Bucher Industries. Each of the divisions, or segments, is distinct from the others, providing different products and services for different customer groups. The analysis by geographical area is based on the group's main locations and primary markets. Net sales are allocated according to invoice origin, while operating assets and liabilities, capital expenditure and the number of employees are broken down by company locations.

Notes to the consolidated financial statements (continued)

1 Analysis by division

CHF million	Order intake		Net sales		Order book		(EBITDA) Operating result		(EBIT) Operating result	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Kuhn Group	757.0	751.7	777.8	712.2	180.6	200.9	81.7	82.9	65.0	58.8
Bucher Municipal	450.9	285.8	437.1	283.6	123.8	60.0	25.8	12.6	18.2	6.1
Bucher Process	148.4	131.9	142.4	132.7	28.0	22.0	10.8	7.9	8.4	5.4
Bucher Hydraulics	263.7	251.9	268.8	243.7	46.1	47.4	36.9	31.9	26.7	20.9
Emhart Glass	316.0	362.0	321.3	268.1	144.4	149.7	22.7	24.5	16.6	18.4
Other/consolidation	10.6	9.9	0.9	0.6	0.8	0.3	-11.5	-12.0	-17.1	-18.4
Total	1946.6	1793.2	1948.3	1640.9	523.7	480.3	166.4	147.8	117.8	91.2

CHF million	Depreciation		Capital expenditure		Total assets		Total liabilities		Number of employees at 31.12.	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Kuhn Group	14.4	15.3	28.1	16.8	541.2	401.9	205.6	196.2	2 846	2 531
Bucher Municipal	6.8	4.5	4.7	3.4	262.5	179.3	119.3	61.8	1 528	799
Bucher Process	2.1	2.2	2.0	1.2	95.5	100.1	32.1	25.4	529	527
Bucher Hydraulics	10.0	9.7	11.5	8.0	167.1	154.8	39.8	35.8	1 036	990
Emhart Glass	6.0	6.1	5.3	7.2	198.4	196.5	59.4	50.9	849	845
Other/consolidation	0.8	0.9	0.1	-	410.1	461.1	580.1	598.2	86	90
Total	40.1	38.7	51.7	36.6	1674.8	1493.7	1036.3	968.3	6 874	5 782

The range of products offered by the group comprises specialized agricultural machinery (Kuhn Group), municipal vehicles (Bucher Municipal), wine and fruit juice production plants (Bucher Process), hydraulic components (Bucher Hydraulics) and production equipment for the glass container industry (Emhart Glass). Inter-segment transactions between the divisions were not significant and were conducted on normal commercial terms and conditions. Unallocated EBIT and EBITDA reported as other include the operating results of LB Produktion GmbH, amortization of intangible assets not attributable to a specific division, effects of non-operating transactions and the results of the holding and finance companies.

The divisions' total assets comprise intangible assets acquired by the divisions together with property, plant, equipment, inventories and receivables. Financial assets, securities, cash and cash equivalents are reported as other. This presentation of total assets for the divisions reflects their operating assets. The divisions' total liabilities consist of all liabilities except provisions and financial liabilities, which are included in other.

2 Analysis by geographical area

CHF million	Net sales		Operating assets		Capital expenditure		Number of employees at 31.12.	
	2005	2004	2005	2004	2005	2004	2005	2004
EU	1 227.3	1 052.3	665.7	581.9	39.8	20.9	4 569	4 138
Switzerland	121.3	111.5	281.0	273.8	6.8	8.8	897	902
Rest of Europe	92.9	66.0	0.2	4.8	–	0.1	6	3
Europe	1 441.5	1 229.8	946.9	860.5	46.6	29.8	5 472	5 043
Americas	294.0	258.3	282.4	171.3	4.1	6.5	1 016	640
Asia	124.2	120.8	9.5	6.6	0.6	0.3	101	89
Rest of world	88.6	32.0	39.5	8.3	0.4	–	285	10
Total	1 948.3	1 640.9	1 278.3	1 046.7	51.7	36.6	6 874	5 782

3 Acquisitions

On 15 February 2005, the group acquired Companhia de Implementos Agricolas MTS, a company based in Passo Fundo (Brazil) and previously owned by the Brazilian Metasa Group. The acquired company, subsequently renamed Kuhn Metasa, is a leading supplier of seeders for large agricultural enterprises. Kuhn Metasa produces a full range of no-till precision seeders with wide working widths. The acquired business contributed revenues of CHF 12.6 million to the group in 2005.

On 31 March 2005, the group acquired Johnston Sweepers Ltd. Johnston is a leading supplier of compact and truck-mounted sweepers operating specialized manufacturing facilities in the UK, Denmark and Australia. The acquired business contributed revenues of CHF 141.6 million to the group for the period from 1 April 2005 to 31 December 2005. If the acquisition had occurred on 1 January 2005, Johnston would have contributed revenues of CHF 188.7 million (based on unaudited financial statement for the year).

Positive/negative goodwill

CHF million	Kuhn Metasa	Johnston
Cash paid	23.1	
Direct costs relating to the acquisition	0.5	3.8
Deferred consideration	12.9	
Purchase consideration	36.5	3.8
Less fair value of net assets acquired	–21.3	–41.0
Refinancing of financial liabilities acquired		33.2
Positive/negative goodwill	15.2	–4.0

Direct costs relating to the acquisition include professional fees paid to accountants and consultants in connection with these acquisitions. The goodwill of Kuhn Metasa is attributable to its good market position, the entry into this dynamic growth market and expected synergies.

Cash flow from acquisitions and disposals

CHF million	Acquisition		Disposals
	2005	2005	2004
	Fair value	Acquiree's carrying amount	
Cash and cash equivalents	2.9	2.9	-0.6
Trade receivables	43.3	46.7	-26.6
Other receivables	0.6	0.6	
Inventories	36.1	35.5	
Deferred tax assets	8.9	6.3	
Property, plant and equipment	28.5	29.0	-0.9
Intangible assets	12.5	0.1	-0.1
Financial liabilities	-16.8	-16.8	
Trade payables	-25.8	-25.6	17.0
Provisions	-7.8	-4.5	10.0
Other liabilities	-20.1	-13.5	
Net assets acquired	62.3	60.7	-1.2
Less cash and cash equivalents acquired	-2.9		
Refinancing of financial liabilities acquired	-33.2		
Deferred consideration	-12.9		
Goodwill	15.2		
Negative goodwill	-4.0		
Loss on disposals			2.7
Net cash outflow/inflow	24.5		1.5

4 Securities

CHF million	2005	2004	+/-
Shares	42.8	32.4	+ 10.4
Bonds	89.1	75.7	+ 13.4
Securities	131.9	108.1	+ 23.8

5 Receivables

CHF million	2005	2004	+/-
Trade receivables	383.6	303.2	+ 80.4
Notes receivable	33.3	32.3	+ 1.0
General allowances	-16.0	-13.4	- 2.6
Trade receivables	400.9	322.1	+ 78.8
Other receivables	39.1	40.9	- 1.8
Receivables from associates	0.9	1.2	- 0.3
Accrued income	8.4	4.6	+ 3.8
Other receivables	48.4	46.7	+ 1.7
Receivables	449.3	368.8	+ 80.5

Trade and notes receivable represent amounts receivable for goods supplied and services provided. The amounts are stated net of specific allowances.

6 Inventories

CHF million	2005	2004	+/-
Raw materials, supplies and consumable stores	126.6	116.8	+ 9.8
Semi-finished goods and work in progress	112.6	93.6	+ 19.0
Finished goods and goods for resale	214.8	184.3	+ 30.5
Prepayments to suppliers	1.9	3.1	- 1.2
Inventories	455.9	397.8	+ 58.1

Inventories have been written down by CHF 86.1 million (2004: CHF 75.0 million). Work in progress does not include any inventories recognized using the percentage-of-completion method.

7 Non-current receivables

CHF million	2005	2004	+/-
Long-term trade receivables	0.5	0.8	- 0.3
Receivables from voluntary employer-sponsored funds	3.7	3.7	-
Other long-term receivables	10.4	9.9	+ 0.5
Non-current receivables	14.6	14.4	+ 0.2

8 Deferred tax

CHF million	Assets		Liabilities	
	2005	2005	2004	2004
Property, plant and equipment	1.7	10.9	1.7	9.7
Financial assets and other non-current assets	7.1	9.6	6.0	4.7
Inventories	13.4	6.1	9.2	6.3
Other current assets	7.2	4.4	2.3	2.1
Provisions	6.4	5.7	3.2	6.2
Other liabilities	8.1	4.7	5.8	1.6
Tax loss carryforwards	0.2		0.7	
Deferred tax assets and liabilities	44.1	41.4	28.9	30.6
Offset amounts	-11.4	-11.4	-8.6	-8.6
Deferred tax assets	32.7		20.3	
Deferred tax liabilities		30.0		22.0
Net deferred tax	2.7			1.7

Tax loss carryforwards

CHF million	2005	2004	+/-
Expiring in the next 3 years	116.1	111.1	+ 5.0
Expiring in 4 to 7 years	23.6	27.8	-4.2
Available indefinitely for offset	114.1	114.2	-0.1
Tax loss carryforwards	253.8	253.1	+ 0.7
Tax benefits calculated	58.7	59.6	-0.9
Utilizable tax benefits	5.1	5.6	-0.5

The individual companies to which the utilizable tax benefits of CHF 5.1 million relate have deferred tax liabilities of CHF 4.9 million. No tax loss carryforwards expired in 2005.

9 Financial assets and investments

CHF million	2005	2004	+/-
Investments in associates	12.3	0.6	+ 11.7
Investments in unconsolidated companies	0.3	0.3	-
Loans to associates	2.3	2.0	+ 0.3
Long-term loans	0.4	0.5	- 0.1
Other financial assets	13.8	13.4	+ 0.4
Financial assets and investments	29.1	16.8	+ 12.3

Associates and unconsolidated companies are presented separately in the list of group companies (see pages 90 and 91). As a result of applying IAS 19, employer contribution reserves totalling CHF 13.1 million (2004: CHF 12.8 million) have been capitalized as other financial assets.

Investments in associates

CHF million	2005	2004
Balance at 1.1.	0.6	0.5
Acquisition of associates	11.2	-
Share of profit/(loss)	0.6	0.1
Exchange differences	- 0.1	-
Balance at 31.12.	12.3	0.6

On 14 February 2005, Bucher Industries acquired a 20% stake in Jetter AG, Ludwigsburg/ Germany, for EUR 8.50 per share, or a total consideration of EUR 5.2 million. The investment was acquired through a cash purchase of new shares issued by Jetter AG from authorized capital, thereby increasing its capital by 10%, and by purchasing shares from existing shareholders. On 23 December 2005, Bucher Industries increased its stake in Jetter AG by 3.4% or 143 000 shares to a total of 23.4% or 754 941 shares through another capital increase. The price paid per share was EUR 14.00. The shares were purchased at the current market price and fair market premium. The share price on 31 December 2005 was EUR 13.60, representing an investment market value of EUR 10.3 million.

Jetter AG makes up its financial statement to 31 March. The most recently published financial statement for the 2004/2005 financial year showed sales of EUR 22.6 million and a result of EUR 1.7 million for the year; Jetter AG had total assets of EUR 16.1 million and equity of EUR 11.7 million. Jetter AG's shares are traded on the XETRA exchange in Frankfurt.

The share of associates' profit or loss up to 31 December 2005 is recognized in the financial result and was CHF 0.6 million. At 31 December 2005, investments in associates included CHF 6.9 million in goodwill.

10 Property, plant and equipment

CHF million	Land and buildings		Plant and machinery		Furniture fixtures and equipment		Prepayments and assets under construction		Total property, plant and equipment	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Cost at 1.1.	289.8	284.4	300.8	297.0	138.0	144.8	3.4	8.2	732.0	734.4
Exchange differences	5.0	-3.1	2.7	-2.9	2.6	-1.6	0.1	-0.1	10.4	-7.7
Acquisition/disposal of subsidiaries	19.6	-	15.6	-2.1	20.9	-5.1	0.5	-	56.6	-7.2
Additions	5.0	6.3	18.0	17.4	12.0	10.1	16.7	2.8	51.7	36.6
Disposals	-1.3	-1.9	-9.9	-11.7	-7.3	-10.5	-	-	-18.5	-24.1
Reclassifications	1.2	4.1	1.8	3.1	0.2	0.3	-3.2	-7.5	-	-
Cost at 31.12.	319.3	289.8	329.0	300.8	166.4	138.0	17.5	3.4	832.2	732.0
Accumulated depreciation at 1.1.	149.8	143.2	246.5	244.4	113.4	117.3	-	-	509.7	504.9
Exchange differences	1.8	-1.4	1.6	-2.5	1.9	-1.2	-	-	5.3	-5.1
Acquisition/disposal of subsidiaries	2.5	-	8.9	-1.4	16.7	-4.9	-	-	28.1	-6.3
Disposals	-0.9	-1.5	-9.3	-11.2	-7.3	-9.8	-	-	-17.5	-22.5
Depreciation	10.1	9.5	17.4	17.2	12.6	12.0	-	-	40.1	38.7
Accumulated depreciation at 31.12.	163.3	149.8	265.1	246.5	137.3	113.4	-	-	565.7	509.7
Net book value at 31.12.	156.0	140.0	63.9	54.3	29.1	24.6	17.5	3.4	266.5	222.3
Of which leased:										
Cost	1.4	1.7	3.2	1.4	-	1.9	-	-	4.6	5.0
Accumulated depreciation	0.5	0.6	2.5	1.3	-	1.3	-	-	3.0	3.2
Net book value	0.9	1.1	0.7	0.1	-	0.6	-	-	1.6	1.8
Lease obligations (present value)	0.7	0.9	0.5	-	-	0.7	-	-	1.2	1.6
Insurance value	584.8	531.7	495.0	470.9	236.3	213.4	-	-	1 316.1	1 216.0

11 Intangible assets

CHF million	Goodwill		Other intangible assets		Total intangible assets	
	2005	2004	2005	2004	2005	2004
Cost at 1.1.	24.8	195.7	74.5	76.6	99.3	272.3
Exchange differences	6.8	-3.3	3.1	-0.2	9.9	-3.5
Acquisition/disposal of subsidiaries	15.2	-	13.1	-2.7	28.3	-2.7
Additions	-	-	1.3	1.0	1.3	1.0
Disposals	-	-	-0.5	-0.2	-0.5	-0.2
Cost at 31.12.	46.8	192.4	91.5	74.5	138.3	266.9
Accumulated amortization at 1.1.	-	157.9	50.7	46.8	50.7	204.7
Exchange differences	-	-1.3	0.3	-0.2	0.3	-1.5
Acquisition/disposal of subsidiaries	-	-	0.6	-2.6	0.6	-2.6
Disposals	-	-	-0.5	-0.2	-0.5	-0.2
Amortization	-	11.0	8.5	6.9	8.5	17.9
Accumulated amortization at 31.12.	-	167.6	59.6	50.7	59.6	218.3
Net book value at 31.12.	46.8	24.8	31.9	23.8	78.7	48.6

Other intangible assets largely include acquired patents.

Goodwill and other intangible assets with indefinite useful lives are tested for impairment annually or when there are indications that they may be impaired. Bucher Industries has implemented a uniform method of testing for impairment of goodwill and other intangible assets. The calculations are normally based on the business plans for at least the next 3 years using management's projections. Cash flows for periods beyond the planning horizon are determined using a conservative sales growth rate which is generally based on the current country-specific inflation rate. The discount rates have been determined on the basis of the group's weighted cost of capital allowing for country- and currency-specific risks after tax. The following parameters have been used for testing the significant amounts of goodwill for impairment: Kuhn Knight, a 12.7% weighted cost of capital and 2.4% growth rate and, for Kuhn Metasa, a 21.5% weighted cost of capital and 12.0% growth rate.

Allocation of goodwill to divisions

CHF million	2005	2004	+/-
Kuhn Group	43.3	21.3	+ 22.0
Bucher Municipal	3.5	3.5	-
Goodwill	46.8	24.8	+ 22.0

12 Provisions

CHF million	Warranty provisions	Litigation provisions	Other provisions	Total provisions	
				2005	2004
Balance at 1.1.	30.5	17.3	19.9	67.7	62.7
Charged	26.6	5.8	6.4	38.8	28.9
Reversed	-1.7	-0.7	-1.5	-3.9	-3.1
Used	-25.7	-0.1	-1.5	-27.3	-19.3
Acquisition/disposal of subsidiaries	7.8	-	-	7.8	-1.0
Exchange differences	0.5	0.1	0.7	1.3	-0.5
Balance at of 31.12.	38.0	22.4	24.0	84.4	67.7
Current	35.9	19.9	14.5	70.3	53.3
Non-current	2.1	2.5	9.5	14.1	14.4

Other provisions cover various risks arising in connection with the group's industrial business activities.

13 Financial liabilities

CHF million	Less than 1 year	1-5 years	Over 5 years	Total financial liabilities	
				2005	2004
Bonds and private placements	-	153.3	53.3	206.6	206.6
Bank borrowings	35.0	5.0	0.3	40.3	22.2
Loans and other financial liabilities	9.8	21.6	0.7	32.1	84.1
Financial liabilities	44.8	179.9	54.3	279.0	312.9

Bucher Industries AG had the following long-term financial liabilities outstanding at 31 December 2005:

Bond listed on SWX Swiss Exchange:

- CHF 100.0 million at 4.25%, 1999-2007, maturing on 14 September 2007

US-Private placements:

- CHF 53.3 million at 3.535%, 2003-2010, maturing on 10 December 2010
- CHF 33.3 million at 4.08%, 2003-2013, maturing on 10 December 2013
- CHF 20.0 million at 4.29%, 2003-2015, maturing on 10 December 2015

Financial liabilities include general debt covenants. Private placements also contain financial covenants that require Bucher Industries to maintain certain agreed financial ratios. The group was in compliance with these covenants. The other long-term financial liabilities were denominated in EUR and had an average interest rate of 3.4% (2004: 4.2%). The average interest rate on total long-term financial liabilities was 4.0% (4.1%). No financial liabilities were secured in 2005 and 2004.

13 Financial liabilities (continued)

Analysis by currency

CHF million	2005	2004	+/-
CHF	214.1	268.8	-54.7
EUR	56.2	42.0	+ 14.2
Other	8.7	2.1	+ 6.6
Financial liabilities	279.0	312.9	-33.9

Included in the various items are liabilities to associates totalling CHF 7.3 million (2004: CHF 6.1 million).

14 Material expenses

Material expenses include all costs of raw materials and consumables used, goods purchased and third-party manufacturing, processing or conversion of the group's products (services purchased).

15 Personnel expenses

CHF million	2005	2004	+/-
Wages and salaries	354.0	309.0	+ 45.0
Social security and employee benefits	90.2	86.2	+ 4.0
Other personnel costs	44.7	36.1	+ 8.6
Personnel expenses	488.9	431.3	+ 57.6

Social security and employee benefits also include all statutory and voluntary costs of employee pension schemes. Other personnel expenses comprise incidental costs of staff recruitment, training and development and external staff costs.

16 Other operating revenues

Other operating revenues include revenue from sales of goods and services that are outside the normal course of the group's business as well as CHF 0.5 million (2004: CHF 0.3 million) in capitalized costs. They also include a CHF 4.0 million gain from negative goodwill and CHF 0.5 million (CHF 1.2 million) in income from the recovery of receivables previously written off and from allowances and provisions reversed.

17 Other operating expenses

CHF million	2005	2004	+/-
Energy, maintenance and repairs	68.6	57.6	+ 11.0
Rental, charges, taxes, levies and consulting fees	73.2	61.0	+ 12.2
Marketing and distribution costs	102.2	87.0	+ 15.2
Other miscellaneous operating expenses	48.6	43.1	+ 5.5
Other operating expenses	292.6	248.7	+ 43.9

Rental, charges, taxes, levies and consulting fees include CHF 14.9 million (2004: CHF 14.8 million) in capital tax. Other miscellaneous operating expenses also include necessary provisions for operating liabilities that cannot be charged to a more appropriate expense account. Costs under operating leases amounted to CHF 4.2 million (CHF 3.9 million).

18 Financial result

CHF million	2005	2004	+/-
Interest expense	-15.9	-12.8	-3.1
Interest income	4.4	3.0	+ 1.4
Net interest expense	-11.5	-9.8	-1.7
Securities result	5.1	5.7	-0.6
Foreign exchange result	10.1	-5.8	+ 15.9
Other financial result	-0.4	0.4	-0.8
Financial result	3.3	-9.5	+ 12.8

The securities result comprises realized securities income, gains and losses as well as CHF 0.6 million (2004: CHF 0.1 million) in income arising from the application of the equity method for investments in unconsolidated companies. Unrealized gains and losses are recognized in equity as fair value adjustments on financial instruments.

19 Income tax

CHF million	2005	2004	+/-
Current income tax	33.9	30.3	+ 3.6
Deferred tax	1.1	- 3.0	+ 4.1
Total income tax	35.0	27.3	+ 7.7
Reconciliation			
Result before tax	121.1	81.7	+ 39.4
Applicable tax rate	34.5%	35.0%	
Theoretical income tax charge	41.8	28.6	+ 13.2
Effect of different tax rates	-	- 3.8	+ 3.8
Effect of losses and tax loss carryforwards	- 3.7	3.4	- 7.1
Expenses not deductible for tax purposes/income not subject to tax	- 1.6	0.4	- 2.0
Under/(over) provided in prior years	-	0.3	- 0.3
Other differences	- 1.5	- 1.6	+ 0.1
Effective income tax	35.0	27.3	+ 7.7
Effective tax rate	28.9%	33.4%	

Ordinary income tax comprises tax paid or to be paid on the individual companies' assessable profits, calculated in accordance with legislation applying in the various countries. The reconciliation is based on the tax rates applicable in the respective tax jurisdictions. The applicable tax rate represents the average of the tax rates.

20 Earnings and dividend per share

	2005	2004
Net result attributable to Bucher Industries shareholders (CHF million)	85.3	53.7
Average number of shares outstanding ¹⁾	9 793 775	9 749 325
Earnings per share (CHF) ¹⁾	8.70	5.51
Diluted earnings per share (CHF) ¹⁾	8.66	5.50
Dividend per registered share (CHF) ²⁾	2.10	1.40
Dividend per bearer share (CHF) ²⁾		7.00
Total dividend (CHF million) ²⁾	22.2	14.8

¹⁾ Restated per single class registered share based on 5-for-1 share split on 26 April 2005

²⁾ 2005: board of directors' proposal

The average number of shares outstanding is calculated based on the number of shares in issue less the weighted average of shares held as treasury shares. As no conversion rights and only a few share options were outstanding, earnings per share were diluted by only CHF 0.04.

21 Change in net working capital

CHF million		
	2005	2004
Change in receivables	-20.5	-44.3
Change in inventories	-14.5	-16.2
Change in customer advances	2.5	62.4
Change in trade payables	-5.3	23.7
Change in other non-interest bearing liabilities	0.3	10.5
Other changes in net working capital	6.3	-4.7
Change in net working capital	-31.2	31.4

22 Operating free cash flow/free cash flow

CHF million			
	2005	2004	+/-
Cash flow from operating activities	113.2	154.2	-41.0
Purchases of property, plant and equipment	-51.7	-36.6	-15.1
Purchases of intangible assets	-1.3	-1.0	-0.3
Proceeds from sale of property, plant and equipment	1.6	3.0	-1.4
Operating free cash flow	61.8	119.6	-57.8
Purchases of financial assets and securities	-12.2	-1.0	-11.2
Proceeds from sale of financial assets and securities	2.0	13.5	-11.5
Dividend paid	-14.2	-9.7	-4.5
Acquisition of subsidiaries	-24.5	-	-24.5
Acquisition of associates	-11.2	-	-11.2
Disposal of subsidiaries	-	-1.5	+1.5
Free cash flow	1.7	120.9	-119.2

23 Retirement benefits**Defined benefit liability**

CHF million	2005	2004
Present value of funded obligations	-150.8	-140.0
Fair value of plan assets	156.8	137.6
Financial surplus/deficit	6.0	-2.4
Present value of unfunded obligations	-24.9	-26.9
Liability	-18.9	-29.3
Cumulative unrecognized actuarial losses	10.1	8.5
Unrecognized asset	-14.7	-1.1
Liability not provided for	0.2	0.2
Liability recognized in the balance sheet	-23.3	-21.7
Included in retirement benefit obligations	-27.0	-25.5
Included in non-current receivables	3.7	3.8

Movements in net defined benefit liability

CHF million	2005	2004
Liability at 1.1.	-21.7	-17.0
Exchange differences	-0.6	-1.0
Defined benefit expense	-5.4	-9.0
Employer's contributions paid	4.4	4.9
Acquisition/disposal of subsidiaries	-	0.4
Liability at 31.12.	-23.3	-21.7

Pension plan assets do not include any shares of Bucher Industries AG (2004: 36 625 shares valued at CHF 1.9 million). The group does not use any pension plan assets.

Employee benefit expense

CHF million

	2005	2004
Current service cost	-5.9	-9.4
Interest cost	-6.6	-6.5
Expected return on plan assets	6.7	6.6
Net actuarial losses/gains recognized	-0.3	-0.3
Amount not recognized as an asset	0.7	0.6
Defined benefit expense	-5.4	-9.0
Defined contribution expense	-19.7	-19.3
Employee benefit expense	-25.1	-28.3

Actuarial assumptions

weighted averages in %

	2005	2004
Discount rate	4.09	4.23
Expected return on plan assets	4.41	4.53
Future salary increases	1.36	1.29
Future pension increases	0.53	1.12

24 Employee share-based payments/options

A share-based payment scheme in the form of a share option plan has been established for members of the board, group management and division managements. The exercise price of the share options is equal to the average market price of the shares over the 20 days preceding the date of grant. One option entitles the holder to purchase one registered share of Bucher Industries AG. The options are not negotiable, have a life of five to ten years and the commencement of the one- to four-year exercise period is staggered. The shares required to cover grants under this share-based payment scheme are purchased in the open market and held by Bucher Beteiligungs-Stiftung, a consolidated employee share ownership trust.

24 Employee share-based payments/options (continued)**Movements in the number of share options outstanding**

	Number of options	Average exercise price in CHF	Number of options	Average exercise price in CHF
	2005	2005	2004	2004
Outstanding at 1.1.	126 750	43.3	132 675	42.4
Amendment	1 350	48.2		
Granted	66 600	108.0	35 700	46.8
Exercised	-43 450	47.3	-9 750	30.8
Expired	-1 350	43.1	-31 875	47.4
Outstanding at 31.12.	149 900	70.9	126 750	43.3
Exercisable	37 100		50 250	

Option expiry dates

	Number of options	Average exercise price in CHF	Number of options	Average exercise price in CHF
	2005	2005	2004	2004
2006	10 775	53.2	24 600	53.2
2007	14 250	28.4	19 125	28.4
2008	23 550	34.6	29 325	34.6
2009	31 950	46.8	35 400	46.8
2010	2 775	52.4	18 300	52.4
2015	66 600	108.0		
Outstanding at 31.12.	149 900	70.9	126 750	43.3

The group adopted the new IFRS 2 standard (Share-based Payments) at 31 December 2004. In 2005, the share option plans, calculated using the Black-Scholes model, had an impact of CHF 196 038 (2004: CHF 65 022) and CHF 261 060 (CHF 65 022) on personnel expenses and equity respectively. The significant inputs to calculate the fair value of share options were a share price of CHF 107.10 (CHF 46.20), volatility of 25.6% (21.0%), a risk-free interest rate of 2.6% (1.9%) and a continuous dividend yield of CHF 1.40 (CHF 1.00).

25 Related party transactions

Management remuneration

CHF million	2005	2004	+/-
Salaries	4.1	4.0	+ 0.1
Share awards	1.5	0.7	+ 0.8
Share-based payments (share option plan)	0.6	0.1	+ 0.5
Management remuneration	6.2	4.8	+ 1.4

Salaries include cash bonuses, expense allowances, supplementary pension plans and fees. No member of the board, group management or parties closely linked to them received any additional remuneration, fees or loans during the year. Furthermore, there were no loans outstanding to the company's governing bodies.

Year-end balances with related parties

CHF million	2005	2004	+/-
Receivables from pension plans	16.8	16.6	+ 0.2
Receivables from associates	3.3	3.5	- 0.2
Payables to associates	7.3	6.1	+ 1.2

All related party transactions are entered into on normal commercial terms and conditions. In 2005, goods valued at CHF 16.1 million (2004: CHF 2.4 million) were purchased from associates.

26 Financial instruments

Hedges

CHF million	2005	2004	+/-
Forward exchange contracts and currency options			
Contract value	354.0	144.5	+ 209.5
Fair value loss	2.0	0.2	+ 1.8
Fair value gain	2.3	0.8	+ 1.5
Interest rate contracts			
Contract value	19.4	26.7	- 7.3
Fair value loss	0.4	0.1	+ 0.3
Fair value gain	-	0.1	- 0.1

26 Financial instruments (continued)

Derivative financial instruments are mainly used to hedge the group's exposure to fluctuations in interest and foreign exchange rates.

The contract value reflects the volume (notional amount) of hedging contracts outstanding at the balance sheet date. The fair value loss represents the amount the group would have to pay to settle outstanding contracts at the balance sheet date. The fair value gain corresponds to the unrealized gain on a hedge at the balance sheet date. All hedging transactions are entered into with highly rated financial institutions. Use of the above financial instruments did not have a significant impact on the group's financial position at 31 December 2005 or its net result for 2005.

27 Development expenses

Development costs of CHF 63.4 million (2004: CHF 54.1 million) were expensed as incurred. They mainly comprised expenditures to update and extend the divisions' product lines and are included in material expenses, personnel expenses, other operating expenses and depreciation of property, plant and equipment. No development costs were capitalized.

28 Contingent liabilities

CHF million	2005	2004	+/-
Notes payable	6.7	7.2	-0.5
Bonds and guarantees in favour of third parties	61.2	50.7	+ 10.5
Assets pledged as collateral for third parties	2.8	2.8	-
Total contingent liabilities	70.7	60.7	+ 10.0

Contingent liabilities are stated at the full amount of liability, i.e. the maximum potential payout.

29 Pledged assets

The book value of assets pledged or assigned to secure the group's obligations was CHF 2.2 million (2004: CHF 2.0 million).

30 Commitments

Fixed-term operating leases

CHF million	Less than 1 year	1–5 years	Over 5 years	Total
At 31.12.2005	7.4	9.6	19.0	36.0
At 31.12.2004	4.2	7.1	2.1	13.4

Other commitments

The group enters into various commitments to purchase goods, services, plant and equipment. These are generally entered into at market prices in the ordinary course of business.

31 Foreign currency exchange rates

	Income statement average rate		Balance sheet year-end rate	
	2005	2004	2005	2004
1 EUR	1.5475	1.5438	1.5551	1.5429
1 GBP	2.2602	2.2681	2.2692	2.1884
1 USD	1.2432	1.2402	1.3182	1.1327
1 BRL	0.5140	0.4254	0.5588	0.4260
1 AUD	0.9467	0.9126	0.9654	0.8837
100 SEK	16.6800	16.9300	16.5638	17.1000

32 Events after the balance sheet date

The consolidated financial statement was approved by the board of directors on 16 March 2006. No further events that would require recognition or disclosure occurred between 31 December 2005 and that date.

Group companies

Consolidated companies

Company, place of registration	Country	Currency	Share capital	Group interest %	Division	Activities
Bucher Industries AG, Niederweningen	CH	CHF	2 113 180		O	S
Bucher Beteiligungen GmbH, Klettgau	DE	EUR	4 500 000	100	O	S
Bucher Finance Ltd., Jersey	GB	EUR	51 000	100	O	S
Bucher Invest Holding SA, Luxembourg	LU	EUR	31 000	100	O	S
Bucher Participations Sàrl., Luxembourg	LU	EUR	12 000	100	O	S
Bucher Industries US Inc., Enfield CT	US	USD	10 000 000	100	O	S
Bucher BG Finanz AG, Steinhausen	CH	CHF	26 505 000	100	O	S
Bucher Beteiligungs-Stiftung, Niederweningen	CH	CHF	250 000	100	O	S
Bucher Industries Italia S.p.A., Reggio Emilia	IT	EUR	4 010 000	100	O	S
Bucher Immobilien GmbH, Trier	DE	EUR	4 000 000	100	O	S
LB Produktion GmbH, Trier	DE	EUR	25 000	100	O	P
Kuhn SA, Saverne	FR	EUR	19 488 000	100	KG	P D
Kuhn-Huard SA, Châteaubriant	FR	EUR	4 800 000	100	KG	P D
Kuhn-Audureau SA, La Copechagnière	FR	EUR	2 530 000	100	KG	P D
Kuhn-Nodet SA, Montereau	FR	EUR	4 800 000	100	KG	P D
Kuhn Knight Inc., Brodhead WI	US	USD	10 000	100	KG	P D
Kuhn Metasa S/A, Passo Fundo ¹⁾	BR	BRL	11 181 000	100	KG	P D
Contifonte SA, Saverne	FR	EUR	48 000	98	KG	P D
Belrecolt SA, Marmoutier	FR	EUR	80 000	99	KG	P D
Kuhn Maschinen-Vertrieb GmbH, Schoppsdorf	DE	EUR	300 000	100	KG	D
Kuhn Italia Srl., Melegnano	IT	EUR	520 000	100	KG	D
Kuhn Farm Machinery Ltd., Telford	GB	GBP	100 000	100	KG	D
Kuhn Farm Machinery Inc., Vernon NY	US	USD	100 000	100	KG	D
Kuhn Farm Machinery Inc., Sainte Madeleine	CA	CAD	150 000	100	KG	D
Kuhn Maszyny Rolnicze Sp.z.o.o., Suchy Las	PL	PLN	3 536 000	100	KG	D
Kuhn Parts SAS, Saverne	FR	EUR	5 000 000	100	KG	S
Kuhn Farm Machinery Pty Ltd., Warragul VIC	AU	AUD	100 000	100	KG	D
Kuhn Iberica SA, Daganzo	ES	EUR	100 000	100	KG	D
Kuhn Farm Machinery Sarl, Kiev	UA	UAH	50 000	100	KG	D
Bucher-Guyer AG, Niederweningen	CH	CHF	10 000 000	100	BM, BP	P D S
Bucher-Landtechnik AG, Niederweningen	CH	CHF	4 000 000	100	BM	D
Bucher-Schörling GmbH, Hanover	DE	EUR	3 000 000	100	BM	P D
Bucher-Schörling Italia S.p.A., Arielli	IT	EUR	800 000	100	BM	P D
Bucher-Schörling Korea Ltd., Seoul	KR	KRW	350 000 000	100	BM	P D
SIA Bucher-Schörling Baltic, Ventspils	LV	LVL	7 000	100	BM	P D
Giletta S.p.A., Revello	IT	EUR	1 000 000	50	BM	P D
Arvel Industries Sàrl, Coudes	FR	EUR	200 000	50	BM	P D
Tecvia Eurl, Lyon	FR	EUR	38 112	50	BM	D
Johnston Sweepers Ltd., Dorking ¹⁾	GB	GBP	8 000	100	BM	P D
MacDonald Johnston Ltd., Clayton North ¹⁾	AU	AUD	5 901 000	100	BM	P D
Johnston GmbH, Bad Rothenfelde ¹⁾	DE	EUR	30 000	100	BM	D

¹⁾ Consolidated for the first time in 2005 Divisions: KG Kuhn Group, BM Bucher Municipal, BP Bucher Process, BH Bucher Hydraulics, EG Emhart Glass, O Others Activities: P Production, D Distribution, S Services

As of 31 December 2005

Company, place of registration	Country	Currency	Share capital	Group interest %	Division	Activities
Vaslin-Bucher SA, Chalonnes-sur-Loire	FR	EUR	2 400 000	100	BP	P D
Vaslin-Bucher S.p.A., Romans d'Isonzo	IT	EUR	208 000	100	BP	P D
KLR Machines Inc., Sebastopol CA	US	USD	88 000	100	BP	D
Vaslin Bucher MS SA, Rivesaltes	FR	EUR	410 000	100	BP	P D
Vaslin-Bucher Vendée SAS, Le Château d'Olonne	FR	EUR	40 356	100	BP	P
Zénith SA, Las Condes Santiago	CL	CLP	924 000	100	BP	D
Bucher-Zédrys SA, Croissy Beaubourg	FR	EUR	250 000	100	BP	P D
Bucher Engineering Ges.m.b.H., Vösendorf	AT	EUR	36 336	100	BP	D
Bucher-Alimentech Ltd., Auckland	NZ	NZD	3 000	100	BP	P D
Bucher Hydraulics GmbH, Klettgau	DE	EUR	4 000 000	100	BH	P D
Bucher Hydraulics S.p.A., Reggio Emilia	IT	EUR	1 500 000	100	BH	P D
Bucher Hydraulics AG, Neuheim	CH	CHF	1 200 000	100	BH	P D
Bucher Hydraulics AG Frutigen, Frutigen	CH	CHF	300 000	100	BH	P D
Bucher Hydraulics Produktions AG, Langendorf	CH	CHF	200 000	100	BH	P
Bucher Hydraulics Dachau GmbH, Dachau	DE	EUR	30 000	100	BH	P D
Bucher Hydraulics SAS, Rixheim	FR	EUR	122 000	100	BH	P D
Bucher Hydraulics Ges.m.b.H., Neumarkt	AT	EUR	40 000	100	BH	D
Bucher Hydraulics Ltd., Nuneaton	GB	GBP	10 000	100	BH	D
Bucher Hydrauliek B.V., Zoetermeer	NL	EUR	18 000	100	BH	D
Bucher Hydraulics Inc., Saddle Brook NJ	US	USD	300 000	100	BH	D
Bucher Hydraulics Co. Ltd., Taoyuan	TW	TWD	20 000 000	55	BH	P D
Bucher Hydraulics KK, Tokyo	JP	JPY	100 000	85	BH	D
Suzhou Bucher Hydraulics Co. Ltd., Wujiang	CN	USD	1 550 000	100	BH	P D
Bucher Hidrolik Sistemleri Tic. Ltd. Sti., Istanbul	TR	TRL	26 000 000 000	100	BH	D
Emhart Glass SA, Cham	CH	CHF	10 000 000	100	EG	D S
Emhart Glass Manufacturing GmbH, Neuss	DE	EUR	50 000	100	EG	P
Emhart Glass GmbH, Neuss	DE	EUR	50 000	100	EG	D
Emhart Glass Ltd., Doncaster	GB	GBP	38 000	100	EG	D
Emhart Glass S.r.l., Dego	IT	EUR	320 000	100	EG	D
Emhart Glass Manufacturing Inc., Elmira NY	US	USD	1 000	100	EG	P
Emhart Glass Inc., Enfield CT	US	USD	2	100	EG	D
Emhart Glass Sweden AB, Sundsvall	SE	SEK	30 000 000	100	EG	P D S
Emhart Glass Pte.Ltd., Singapore	SG	SGD	2	100	EG	D
Emhart Glass Japan Pte. Ltd., Singapore	SG	JPY	100	100	EG	D

Associates and unconsolidated companies

Company, place of registration	Country	Currency	Share capital	Group interest %	Division	Activities
Jetter AG, Ludwigsburg	DE	EUR	3 223 000	23	O	P D
Bucher Hidraulika Kft., Budapest	HU	HUF	3 230 000	74	BH	D
FIS S.r.l., Reggio Emilia	IT	EUR	104 000	50	BH	P D
Vaslin-Bucher Australia Pty Ltd, Mawson Lakes	AU	AUD	10	100	BP	D
Gedvelop AB, Helsingborg	SE	SEK	986 800	24	EG	P D

¹⁾ Consolidated for the first time in 2005 Divisions: KG Kuhn Group, BM Bucher Municipal, BP Bucher Process, BH Bucher Hydraulics, EG Emhart Glass, O Others Activities: P Production, D Distribution, S Services

As of 31 December 2005

Report of the group auditors

PRICEWATERHOUSECOOPERS

To the general meeting of Bucher Industries AG, Niederweningen As auditors of the group, we have audited the consolidated financial statements (balance sheet, in-come statement, statement of cash flows, statement of changes in equity and notes, pages 58–61 and 62–91) of Bucher Industries AG for the year ended 31 December 2005.

These consolidated financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss auditing standards and with the International Standards on Auditing, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Frank Scharnagl



Beat Inauen

Zürich, 16 March 2006

Balance sheet of Bucher Industries AG at 31 December 2005

CHF 1 000		Note	2005	2004
Assets	Cash and cash equivalents		8 118	25 320
	Securities	1	28 820	13 334
	Receivables from group companies		7 602	8 772
	Other receivables		3 659	2 285
	Total current assets		48 199	49 711
	Loans to group companies	2	279 483	177 947
	Loans to third parties		195	209
	Investments	3	377 710	329 901
	Total non-current assets		657 388	508 057
	Total assets		705 587	557 768
Liabilities and equity	Short-term bank borrowings	2	21 742	2 299
	Current payables to group companies		80 074	11 029
	Other current liabilities		30 685	4 466
	Total current liabilities		132 501	17 794
	4 $\frac{1}{4}$ % bond issue 1999–2007	2	100 000	100 000
	Private placements	2	106 576	106 576
	Other non-current liabilities		7 276	–
	Provisions	4	32 300	32 300
	Total non-current liabilities		246 152	238 876
	Share capital	5	2 113	2 113
	Statutory reserves		70 610	70 610
	Distributable reserves		164 764	142 572
	Reserves for treasury shares	6	35 237	37 429
Retained earnings		13 582	13 325	
Net result for the year		40 628	35 049	
Total equity		326 934	301 098	
Total liabilities and equity		705 587	557 768	

Notes to the financial statements of Bucher Industries AG

1 Securities

This item includes treasury shares totalling CHF 28.8 million, valued at the year-end price.

2 Loans to group companies/financial liabilities

Serving as the central source of financing for the group, Bucher Industries AG provides adequate equity funding and principally grants intra-group loans to group companies. Loans to group companies increased by approximately CHF 102 million to CHF 279.5 million and financial liabilities by approximately CHF 19 million to CHF 228.3 million.

3 Investments

Bucher Industries AG's direct and indirect investments in subsidiaries and associates are shown in the list of group companies on pages 90 and 91 of the annual report.

4 Provisions

Provisions have been made for taxes, business risks and guarantee obligations.

5 Share capital

Bucher Industries AG has authorized but unissued capital representing a maximum of 1184100 registered shares of CHF 0.20 each, which is reserved for the exercise of warrants or conversion rights attached to bonds and of options under rights issues to shareholders. The registered shares are widely held by public shareholders. A group of shareholders organized under a shareholders' agreement and represented by Thomas W. Hauser, Neerach, holds 34.14% of the voting rights, as published in the Swiss Official Gazette of Commerce (SHAB) on 10 May 2005. The shareholders' agreement essentially governs unity in voting at general meetings of shareholders. Bucher Industries AG and Bucher Beteiligungs-Stiftung hold a total of 7.03% of the issued share capital, as published in the Swiss Official Gazette of Commerce (SHAB) on 4 January 2006, the voting rights attached to such shares being suspended in accordance with article 659a par. 1 of the Swiss Code of Obligations. The board of Bucher Industries AG is not aware of any other shareholders, or groups of shareholders subject to voting agreements, who hold more than 5% of the total voting rights.

6 Reserve for treasury shares

	Number of shares	Reserve in CHF 1 000
Balance at 1.1.2005	804 370	37 429
Purchase of treasury shares	13 875	1 103
Exercise of derivatives indexed to own shares		550
Sale of treasury shares	- 3 620	- 154
Sale or re-issue for share-based payment schemes	- 71 505	- 3 691
Balance at 31.12.2005	743 120	35 237

Treasury shares are held by Bucher Industries AG and Bucher Beteiligungs-Stiftung, an employee share ownership trust. The reserve for treasury shares represents the purchase cost.

7 Contingent liabilities

The company has incurred contingent liabilities to cover group companies' obligations to banks in respect of credit and cash pool agreements. The maximum exposure was CHF 139.8 million (2004: CHF 174.9 million). The amount claimed at the balance sheet date was CHF 39.5 million (CHF 90.7 million).

8 Investment income

Income from participations comprises dividends received from directly related group companies.

9 Financial income

Financial income consists of interest on loans granted to group companies and income from cash and liquid assets.

10 Other income

Other income mainly comprises fees charged to group companies for services provided by the corporate centre.

11 Financial expenses

Financial expenses represent the interest paid on outstanding bonds, bank borrowings and payables to group companies.

Board of directors' proposal

Appropriation of retained earnings

CHF	
Net result for 2005	40 627 450
Retained earnings brought forward	13 582 416
Retained earnings available for distribution	54 209 866
The directors propose that the Annual General Meeting approve the payment of a dividend of	
CHF 2.10 per dividend-bearing share of CHF 0.20 par value each	22 188 390
Transfer to distributable reserves	19 000 000
Balance to be carried forward	13 021 476
Total	54 209 866

Report of the statutory auditors

PRICEWATERHOUSECOOPERS

To the general meeting on the financial statements 2005 As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes, pages 94–97) of Bucher Industries AG for the year ended 31 December 2005.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Frank Scharnagl



Beat Inauen

Zürich, 16 March 2006

Five-year summary

Group

CHF million

	2005	2004	2003	2002	2001	
Order intake	1946.6	1793.2	1485.8	1411.8	1442.1	
Net sales	1948.3	1640.9	1535.2	1480.5	1488.0	
Order book	523.7	480.3	328.3	376.0	449.1	
Operating result before depreciation and amortization (EBITDA)	166.4	147.8	123.8	109.1	123.1	
As % of net sales	% 8.5	9.0	8.1	7.4	8.3	
Operating result (EBIT)	117.8	91.2	58.9	34.0	70.6	
As % of net sales	% 6.0	5.6	3.8	2.3	4.7	
Financial result	3.3	-9.5	-3.4	-13.0	5.4	
Income tax	-35.0	-27.3	-18.7	-28.2	-27.7	
As % of result before taxes	% 28.9	33.4	33.7	134.3	36.4	
Net result for the year	86.1	54.4	36.8	-7.2	48.3	
As % of net sales	% 4.4	3.3	2.4	-0.5	3.2	
Capital expenditure	51.7	36.6	38.8	39.0	51.2	
Operating free cash flow	61.8	119.6	53.7	26.9 ²⁾	36.8 ²⁾	
Development expenses	63.4	54.1	50.5	56.7	56.8	
Total assets	1674.8	1493.7	1401.4	1600.5	1542.1	
Cash, cash equivalents and securities	348.0	404.7	310.7	440.6	327.9	
Receivables	449.3	368.8	338.5	377.4	361.5	
Inventories	455.9	397.8	396.3	404.1	369.2	
Financial assets and investments	29.1	16.8	16.7	22.4	158.6	
Property, plant and equipment	266.5	222.3	229.5	224.8	225.3	
Intangible assets	78.7	48.6	67.6	90.6	55.8	
Current liabilities	718.1	656.9	613.5	914.1	734.7	
Non-current liabilities	318.2	311.4	300.3	245.8	284.8	
Total liabilities	1036.3	968.3	913.8	1159.9	1019.5	
Of which interest-bearing	279.0	312.9	339.9	535.6	414.9	
Net liquidity	69.0	91.8	-29.2	-95.0	73.4	
Equity	638.5	525.4	487.6	440.6	522.6	
As % of total assets	% 38.1	35.2	34.8	27.5	33.9	
Return on equity (ROE)	% 14.8	10.7	7.9	-1.5	9.5	
Net working capital	535.1	514.4	432.0	308.0	325.6	
Net operating assets (NOA) ³⁾	558.6	439.5	518.8	534.3	469.3	
Return on net operating assets (RONOA) ³⁾	% 14.8	12.1	6.9	4.5 ¹⁾	8.7	
Number of employees at year end ⁴⁾	6874	5782	5852	5994	5762	
Average number of employees during year ⁴⁾	6836	5795	5957	5863	5757	
Net sales per employee	CHF 1 000	285.0	283.2	257.7	252.5	258.5

¹⁾ with standard tax rate of 35% ²⁾ old definition ³⁾ years of 2001-2002 adjusted to new definition ⁴⁾ numbers of employees in full-time-equivalents

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