BUCHER


# Interim report 2013

# Solid first half

**Dear Shareholders**

In a generally friendly market environment, Bucher Industries increased order intake by 14% to CHF 1 227 million in the first half of 2013. Acquisitions contributed around 2% to this pleasing performance. Sales were up 2% to CHF 1 410 million, while operating profit improved by 5% to CHF 141 million. Group profit for the period amounted to CHF 95 million, surpassing the figure for the same period of last year by 4%. Lively demand for agricultural machinery, growth momentum from America and steady progress on cost optimisation underpinned this success.

| CHF million | | | % change | | |
|---|---|---|---|---|---|
| **January – June** | **2013** | **2012** | **%** | **%[2]** | **%[3]** |
| Order intake | 1 226.7 | 1 080.5 | 13.5 | 12.7 | 10.7 |
| Net sales | 1 409.9 | 1 380.7 | 2.1 | 1.2 | – 0.7 |
| Order book | 639.8 | 611.7 | 4.6 | 3.8 | 1.3 |
| Operating profit before depreciation and amortisation (EBITDA)[1] | 181.8 | 171.1 | 6.3 | | |
| As % of net sales | 12.9% | 12.4% | | | |
| Operating profit (EBIT)[1] | 140.9 | 134.3 | 4.9 | | |
| As % of net sales | 10.0% | 9.7% | | | |
| Profit/(loss) for the period[1] | 95.1 | 91.1 | 4.4 | | |
| As % of net sales | 6.7% | 6.6% | | | |
| Earnings per share in CHF[1] | 9.40 | 9.21 | 2.1 | | |
| Operating free cash flow | – 81.1 | – 90.4 | 10.3 | | |
| Net cash/debt | – 165.4 | – 209.0 | 20.9 | | |
| Total assets[1] | 2 394.6 | 2 220.6 | 7.8 | | |
| Equity[1] | 978.3 | 835.1 | 17.1 | | |
| Equity ratio | 40.9% | 37.6% | | | |
| Return on equity (ROE) | 17.6% | 21.0% | | | |
| Net operating assets (NOA), average | 1 015.8 | 908.7 | 11.8 | | |
| Return on net operating assets (RONOA), after tax[1] | 19.8% | 21.1% | | | |
| Number of employees at 30 June | 10 720 | 10 531 | 1.8 | | – 0.9 |

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.
[2] Adjusted for currency effects.
[3] Adjusted for currency, acquisition and disposal effects.

**Regional variations in market trends** In the reporting period, the positive economic development in North and South America continued, while the high level of debt and uncertainties affecting many European countries had a restraining effect on the business climate. China suffered a marked downturn in economic growth as a result of various government measures. Currency effects had only a minimal impact on the consolidated financial statements in the reporting period.

**Pleasing business performance** In this climate, Bucher Industries achieved a marked increase in order intake, driven by buoyant demand in key markets. Specialised agricultural machinery, municipal vehicles as well as hydraulic components contributed to this performance. The improvement is largely due to organic growth. The currency, acquisition and disposal effects accounted for just under 3% overall. Even without the major orders – from the city of Moscow, in the case of Bucher Municipal, and from India, in the case of Emhart Glass – which totalled CHF 69 million in the first half of 2012, Bucher Industries slightly increased profit for the period year on year. The Group increased the EBIT margin to 10% by dint of continuous improvements. Group profit for the period was also above the result a year ago.

**Solid financial position** The seasonal and volume-related increase in working capital was lower than in the same period of 2012. Higher investments and acquisitions in the reporting period resulted in a negative free cash flow on a par with the first half of 2012. Net debt at 30 June 2013 was significantly lower year on year and will undergo a further marked reduction towards the end of the current year. With high liquid assets and an equity ratio of 41%, Bucher Industries continues to maintain its financial independence and strategic room for manoeuvre. Despite higher net operating assets (NOA), return on net operating assets (RONOA) after tax was 20%, again significantly higher than the cost of capital and well above the long-range target of 16%.

**Board of Directors** The term of office of Thomas W. Bechtler expired in April 2013. After 25 successful years on the Group’s board, he did not stand for re-election. At the annual general meeting, Bucher Industries thanked Thomas W. Bechtler for his outstanding contribution to the Group’s development. As of 12 April 2013, the Board of Directors comprises six members.

## Kuhn Group

| CHF million | | | % change | |
|---|---|---|---|---|
| **January – June** | **2013** | **2012** | **%** | **%[2]** |
| Order intake | 517.0 | 439.3 | 17.7 | 16.9 |
| Net sales | 743.9 | 696.5 | 6.8 | 5.8 |
| Order book | 277.8 | 253.2 | 9.7 | 9.1 |
| Operating profit (EBITDA)[1] | 122.0 | 104.9 | 16.3 | |
| As % of net sales | 16.4% | 15.1% | | |
| Operating profit (EBIT)[1] | 102.8 | 88.0 | 16.8 | |
| As % of net sales | 13.8% | 12.6% | | |
| Number of employees at 30 June | 4756 | 4637 | 2.6 | |

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.
[2] Adjusted for currency effects.

**Agricultural engineering as growth driver** In the first half of 2013, farmers’ willingness to invest held firm in Kuhn Group’s main markets thanks to continued strong demand for agricultural produce and attractive prices for cereals, meat and milk. In view of the long, cold winter and heavy rainfall, the start of the growing season was delayed in North America and Western Europe by as much as four weeks, depending on the region, which led customers to put off completing purchases of haymaking equipment. Kuhn Group took full advantage of the favourable conditions, producing a further marked increase in order intake thanks to the division’s broad range of specialised agricultural machinery as well as great reliability and service response. Sales also improved. The high level of demand for tillage equipment in North America and seeding machinery in Brazil made an important contribution to the good performance. Sustained growth and good utilisation of capacity across the board enabled Kuhn Group to post a significant increase in operating profit and profitability.

Last year, Kuhn Group initiated two important development projects in Saverne, France, which progressed on schedule in the first half of 2013. With its new technology, exhibition and training centre, the Kuhn Centre for Progress, and the related infrastructure, the division has established another landmark in close customer relations. The new centre is due to be inaugurated in the second half of the year. Expansion of the European logistics centre for spare parts and service is also advancing according to plan and should be completed in the second half of the year.

## Bucher Municipal

| CHF million | | | % change | | |
|---|---|---|---|---|---|
| **January – June** | **2013** | **2012** | **%** | **%[2]** | **%[3]** |
| Order intake | 183.6 | 164.2 | 11.8 | 12.0 | 12.8 |
| Net sales | 167.6 | 203.6 | −17.7 | −17.5 | −17.0 |
| Order book | 111.0 | 115.3 | −3.7 | −3.7 | −4.5 |
| Operating profit (EBITDA)[1] | 15.6 | 23.1 | −32.5 | | |
| As % of net sales | 9.3% | 11.4% | | | |
| Operating profit (EBIT)[1] | 12.1 | 20.0 | −39.5 | | |
| As % of net sales | 7.2% | 9.8% | | | |
| Number of employees at 30 June | 1 477 | 1 464 | 0.9 | | −0.3 |

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.
[2] Adjusted for currency effects.
[3] Adjusted for currency, acquisition and disposal effects.

**Growth impetus in main market** In the reporting period, order intake for municipal vehicles received a gratifying boost and exceeded expectations, particularly in the main market of Europe. Southern Europe saw the first major contracts in quite some time offered for tender. The winter maintenance business profited from the long, cold winter, but was affected by austerity measures in the public sector, particularly in Central and Southern Europe. In Australia, demand for refuse collection vehicles continued to rise. As expected, sales and operating profit fell back from the very high level reached in the same period of 2012, which was strongly influenced by the major order worth CHF 50 million from the city of Moscow. During the reporting period, Bucher Municipal sold its hand-drier business in Australia, taken over as part of the Johnston Sweepers acquisition in 2005. This sideline generated sales of CHF 10 million in 2012. A gain of CHF 4 million was made on the disposal.

Consolidation of the three Johnston Sweepers production plants in Dorking, Great Britain, is well advanced. The operational merger of the production lines in Dorking is due to begin in the third quarter of the current year. The division pushed ahead with the construction of a production facility for salt spreaders in Kaluga, Russia, a joint project with a local sales partner. It is due to come on stream in the second half of the year. This new assembly and procurement platform for the winter maintenance business will enable Bucher Municipal to access the local market with spreaders and snowploughs and strengthen the division’s excellent position in the growing Russian market.

## Bucher Hydraulics

| CHF million | | | % change | | |
|---|---|---|---|---|---|
| **January – June** | **2013** | **2012** | **%** | **%[2]** | **%[3]** |
| Order intake | 232.7 | 208.5 | 11.6 | 10.6 | 3.6 |
| Net sales | 234.7 | 220.8 | 6.3 | 5.3 | – 2.5 |
| Order book | 65.7 | 58.5 | 12.3 | 11.1 | – 5.2 |
| Operating profit (EBITDA)[1] | 33.7 | 30.8 | 9.4 | | |
| As % of net sales | 14.3% | 13.9% | | | |
| Operating profit (EBIT)[1] | 24.5 | 22.1 | 10.9 | | |
| As % of net sales | 10.4% | 10.0% | | | |
| Number of employees at 30 June | 1 905 | 1 727 | 10.3 | | – 2.8 |

1) 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.
2) Adjusted for currency effects.
3) Adjusted for currency, aquisitions and disposal effects.

**Building a global presence** Trends in Bucher Hydraulics’ markets showed regional variations in the first half of the year. Demand declined in Western Europe, where a general cooling of economic activity was apparent, and also in China. The construction machinery and industrial hydraulics market segments were particularly affected by this slowdown. Measures introduced by the Chinese government to restrain construction activity had a big impact on local manufacturing as well as on imports from Europe and the USA. In the North American market, by contrast, the division took full advantage of the brisk demand which continued unchecked. Thanks to its strong positioning, the customer structure in the main market segments and the acquisition of Ölhydraulik Altenerding, Erding, the division achieved a marked increase in order intake and sales. Operating profit also continued to rise.

The integration of Bucher Hydraulics Erding, Germany, following the acquisition completed in February 2013, is proceeding well. The division has already introduced its production systems and IT infrastructure at the company and gone a long way towards realising the first synergies in sales, product development and production planning. With the acquisition of Eco Sistemas, Porto Alegre, Brazil, on 1 July 2013, the division reached another milestone in the realisation of its globalisation strategy. The newly acquired company offers globally active customers of Bucher Hydraulics a local, engineering, product, sales and service platform, with around 60 employees. The division also commissioned the new production building at the main manufacturing site in Klettgau, Germany, according to plan.

## Emhart Glass

| CHF million | | | % change | |
|---|---|---|---|---|
| **January – June** | **2013** | **2012** | **%** | **%[2)]** |
| Order intake | 165.8 | 161.0 | 3.0 | 1.1 |
| Net sales | 167.0 | 174.3 | – 4.2 | – 6.0 |
| Order book | 110.0 | 123.5 | – 10.9 | – 12.5 |
| Operating profit (EBITDA)[1)] | 11.2 | 9.8 | 14.3 | |
| As % of net sales | 6.7% | 5.6% | | |
| Operating profit (EBIT)[1)] | 5.0 | 4.3 | 16.3 | |
| As % of net sales | 3.0% | 2.5% | | |
| Number of employees at 30 June | 1 894 | 2 073 | – 8.6 | |

1) 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.
2) Adjusted for currency effects.

**Strategic realignment on course** In the reporting period, demand for manufacturing and inspection equipment for glass containers picked up. An exception to this positive trend was the Chinese market, which was dampened by reduced economic growth. The spare parts business performed well, buoyed by the extensive base of installed equipment. Order intake at Emhart Glass was slightly above the previous year’s level, despite a distinct weakening in China. The new inspection machines made a significant contribution to this growth. Sales were down on the level for the same period a year ago, which was boosted by a major order worth CHF 19 million from India. Emhart Glass succeeded in improving profitability despite the pronounced downturn in China. This was because implementation of the strategic realignment of the division, with adjustments to capacities in the USA, Europe and Asia, was already well advanced and producing initial results. The cutbacks in capacity in the USA and Europe were completed, while the expansion in Malaysia is some two months ahead of the schedule.

Close collaboration with the Sanjin joint venture in China continued its very successful progress, despite the economic downturn. Using Emhart Glass technologies from the USA and Europe, a completely new inspection machine and a glass forming machine, which is attractive both technically and in terms of cost, were developed specifically for the Chinese market and successfully launched. Another important milestone was the cooperation agreement signed in the first half of 2013 between Emhart Glass and Owens-Illinois, Inc., USA (O-I). This recognises the division as the preferred supplier of glass forming machinery and spare parts for O-I’s 79 glass manufacturing facilities. The cooperation agreement will enter into force as of September this year, which means preparations are running at full speed. Thanks to this pioneering collaboration, Emhart Glass should add annual sales worth around CHF 50 million in stages up to 2015.

## Bucher Specials

| CHF million | | | % change | | |
|---|---|---|---|---|---|
| **January – June** | **2013** | **2012** | **%** | **%[2]** | **%[3]** |
| Order intake | 127.6 | 107.4 | 18.8 | 18.1 | 10.6 |
| Net sales | 107.5 | 96.1 | 11.9 | 11.4 | − 0.7 |
| Order book | 75.3 | 61.2 | 23.0 | 22.0 | 13.4 |
| Operating profit (EBITDA)[1] | 7.7 | 7.5 | 2.7 | | |
| As % of net sales | 7.2% | 7.8% | | | |
| Operating profit (EBIT)[1] | 5.9 | 6.0 | − 1.7 | | |
| As % of net sales | 5.5% | 6.3% | | | |
| Number of employees at 30 June | 623 | 565 | 10.3 | | 3.5 |

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.
[2] Adjusted for currency effects.
[3] Adjusted for currency and acquisition effects.

**Lively market environment** The three independent businesses that constitute Bucher Specials turned in a pleasing overall performance, and Bucher Specials achieved a marked increase in order intake and sales. Operating profit was virtually on the same level as for the same period of 2012.

Following a first quarter in which the business with winemaking equipment remained at a low level, particularly in the main market of France, there was a steady recovery following the release of previously announced subsidies around the middle of the second quarter. The USA and China also saw brisk demand. However, competitive pressure remained high, and capacity was not fully utilised. Measures to optimise cost structures implemented the previous year became fully effective in the reporting period. At Intervitis, Germany’s leading technology fair for the wine industry, Bucher Vaslin was awarded a gold medal for the new and innovative destemmer Delta Oscillys, which allows complete and gentle separation of the undamaged grapes from the stalks.

Bucher Unipektin’s project business with equipment for processing fruit juice and dewatering sewage sludge developed well, resulting in a gratifying upturn in demand for machinery and equipment. The acquisition of the engineering business of the Filtrox Group, which specialises in beer filtration technology, was completed in February 2013. The integration process was smooth and advanced well.

The Swiss distributorship for tractors and agricultural machinery continued to enjoy favourable market conditions. Bucher Landtechnik was able to increase its market share with Kuhn agricultural machinery, CNH tractors and Weidemann yard loaders and telescopic loaders. At the same time this independent business benefitted from its excellent dealer network and good reputation as a reliable partner.

**Outlook for 2013** The Group is assuming that the economic upturn in the USA will continue. On the other hand, it does not expect a reversal of the recessionary tendencies in Europe. In macroeconomic terms, the business environment is still characterised by a considerable degree of uncertainty. Kuhn agricultural machinery should continue to prove a cornerstone of growth and income. The good performance of Bucher Municipal should continue in the second half of the year. Bucher Hydraulics could outperform the market thanks to the acquisition of Bucher Hydraulics Erding, Germany, which manufactures special cylinders. The division is also taking advantage of the continuing economic upturn in the North American market. At Emhart Glass, the stable market trend is unlikely to change in the second half of the year, although recovery in China may not emerge until the fourth quarter. Bucher Specials is counting on a stronger second half due to seasonal factors. Overall, the Group expects a modest increase in sales and a further improvement in operating profit and net profit for the 2013 business year as a whole.

**Niederweningen, 30 July 2013**

| | |
|---|---|
| Rolf Broglie<br>Chairman of the Board | Philip Mosimann<br>Chief Executive Officer |

# Consolidated financial statements

## Consolidated balance sheet

| CHF million | 30 June 2013 | % | 30 June 2012[1] | % | 31 December 2012[1] | % |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | 314.5 | 13.1 | 289.3 | 13.0 | 424.6 | 18.8 |
| Short-term investments | 63.4 | 2.7 | 64.4 | 2.9 | 55.7 | 2.5 |
| Trade receivables | 518.9 | 21.7 | 458.9 | 20.7 | 410.7 | 18.2 |
| Current income tax assets | 25.3 | 1.1 | 26.0 | 1.2 | 5.7 | 0.2 |
| Other receivables | 55.5 | 2.3 | 55.8 | 2.5 | 42.3 | 1.9 |
| Inventories | 614.0 | 25.6 | 610.3 | 27.5 | 582.1 | 25.7 |
| **Current assets** | **1 591.6** | **66.5** | **1 504.7** | **67.8** | **1 521.1** | **67.3** |
| Long-term receivables | 4.8 | 0.2 | 8.6 | 0.4 | 6.5 | 0.3 |
| Property, plant and equipment | 533.0 | 22.2 | 454.7 | 20.5 | 478.0 | 21.2 |
| Intangible assets | 172.0 | 7.2 | 168.4 | 7.6 | 159.3 | 7.1 |
| Other financial assets | 33.5 | 1.4 | 28.0 | 1.2 | 34.4 | 1.5 |
| Investments in associates | 16.7 | 0.7 | 14.9 | 0.7 | 16.1 | 0.7 |
| Deferred income tax assets | 43.0 | 1.8 | 41.3 | 1.8 | 44.0 | 1.9 |
| **Non-current assets** | **803.0** | **33.5** | **715.9** | **32.2** | **738.3** | **32.7** |
| **Assets** | **2 394.6** | **100.0** | **2 220.6** | **100.0** | **2 259.4** | **100.0** |
| Financial liabilities | 198.0 | 8.3 | 134.6 | 6.1 | 152.6 | 6.7 |
| Trade payables | 275.3 | 11.5 | 272.1 | 12.3 | 238.4 | 10.5 |
| Advances from customers | 87.2 | 3.6 | 81.1 | 3.7 | 212.5 | 9.4 |
| Provisions | 63.7 | 2.7 | 53.5 | 2.4 | 60.6 | 2.7 |
| Other liabilities | 250.3 | 10.4 | 237.3 | 10.7 | 200.2 | 8.9 |
| Current income tax liabilities | 67.1 | 2.8 | 60.4 | 2.7 | 42.2 | 1.9 |
| **Current liabilities** | **941.6** | **39.3** | **839.0** | **37.9** | **906.5** | **40.1** |
| Financial liabilities | 345.3 | 14.4 | 428.1 | 19.3 | 347.1 | 15.4 |
| Provisions | 11.3 | 0.5 | 11.2 | 0.5 | 10.9 | 0.5 |
| Other liabilities | 18.3 | 0.8 | 18.6 | 0.8 | 14.7 | 0.7 |
| Deferred income tax liabilities | 49.2 | 2.0 | 45.4 | 2.0 | 43.9 | 1.9 |
| Retirement benefit obligations | 50.6 | 2.1 | 43.2 | 1.9 | 46.0 | 2.0 |
| **Non-current liabilities** | **474.7** | **19.8** | **546.5** | **24.5** | **462.6** | **20.5** |
| Attributable to owners of Bucher Industries AG | 943.5 | 39.4 | 803.8 | 36.2 | 854.9 | 37.8 |
| Attributable to non-controlling interests | 34.8 | 1.5 | 31.3 | 1.4 | 35.4 | 1.6 |
| **Equity** | **978.3** | **40.9** | **835.1** | **37.6** | **890.3** | **39.4** |
| **Liabilities and equity** | **2 394.6** | **100.0** | **2 220.6** | **100.0** | **2 259.4** | **100.0** |

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

## Consolidated income statement

| CHF million | | % | | % |
|---|---|---|---|---|
| **January – June** | **2013** | | **2012[1]** | |
| **Net sales** | **1 409.9** | **100.0** | **1 380.7** | **100.0** |
| Changes in inventories of finished goods and work in progress | 9.0 | 0.6 | 20.6 | 1.5 |
| Raw materials and consumables used | – 724.4 | – 51.4 | – 745.4 | – 54.0 |
| Employment costs | – 340.8 | – 24.2 | – 329.5 | – 23.9 |
| Other operating income | 10.6 | 0.8 | 6.7 | 0.5 |
| Other operating expenses | – 182.5 | – 12.9 | – 162.0 | – 11.7 |
| **Operating profit before depreciation and amortisation (EBITDA)** | **181.8** | **12.9** | **171.1** | **12.4** |
| Depreciation | – 32.7 | – 2.3 | – 28.8 | – 2.1 |
| Amortisation | – 8.2 | – 0.6 | – 8.0 | – 0.6 |
| **Operating profit (EBIT)** | **140.9** | **10.0** | **134.3** | **9.7** |
| Share of profit/(loss) of associates | 0.6 | – | 0.6 | – |
| Finance costs | – 8.5 | – 0.6 | – 9.2 | – 0.7 |
| Finance income | – | – | 1.8 | 0.2 |
| **Profit before tax** | **133.0** | **9.4** | **127.5** | **9.2** |
| Income tax expense | – 37.9 | – 2.7 | – 36.4 | – 2.6 |
| **Profit/(loss) for the period** | **95.1** | **6.7** | **91.1** | **6.6** |
| Attributable to owners of Bucher Industries AG | 95.6 | | 90.0 | |
| Attributable to non-controlling interests | – 0.5 | | 1.1 | |
| Basic earnings per share in CHF | 9.40 | | 9.21 | |
| Diluted earnings per share in CHF | 9.36 | | 9.16 | |

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

## Consolidated statement of comprehensive income

CHF million

| January – June | 2013 | 2012[1] |
|---|---|---|
| **Profit/(loss) for the period** | **95.1** | **91.1** |
| Change in actuarial gains/(losses) on defined benefit pension plans | – 1.2 | – 8.5 |
| Change in actuarial gains/(losses) on defined benefit pension plans of associates | – | – 0.1 |
| Income tax expense | – 0.5 | 2.2 |
| **Change in actuarial gains/(losses) on defined benefit pension plans, net of tax** | **– 1.7** | **– 6.4** |
| **Items that will not be transferred subsequently to income statement** | **– 1.7** | **– 6.4** |
| Change in fair value reserve | 0.7 | – |
| Transfer to income statement | – | – |
| Income tax expense | – 0.2 | – |
| **Change in fair value reserve, net of tax** | **0.5** | **–** |
| Change in cash flow hedge reserve | 2.4 | – 2.2 |
| Transfer to income statement | – 2.2 | 0.6 |
| Income tax expense | – 0.5 | – |
| **Change in cash flow hedge reserve, net of tax** | **– 0.3** | **– 1.6** |
| Change in currency translation reserve | 21.1 | – 1.6 |
| Transfer to income statement | – | 0.6 |
| **Change in currency translation reserve** | **21.1** | **– 1.0** |
| **Items that may be transferred subsequently to income statement** | **21.3** | **– 2.6** |
| **Other comprehensive income, net of tax** | **19.6** | **– 9.0** |
| **Total comprehensive income for the period** | **114.7** | **82.1** |
| Attributable to owners of Bucher Industries AG | 114.0 | 81.3 |
| Attributable to non-controlling interests | 0.7 | 0.8 |

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

## Consolidated cash flow statement

CHF million

| January – June | 2013 | 2012[1] |
|---|---|---|
| **Profit/(loss) for the period** | **95.1** | **91.1** |
| Income tax expense | 37.9 | 36.4 |
| Net interest expense | 6.1 | 7.6 |
| Share of profit/(loss) of associates | – 0.6 | – 0.6 |
| Depreciation and amortisation | 40.9 | 36.8 |
| Other operating cash flow items | 3.3 | 3.6 |
| Gain on sale of non-current assets and subsidiaries | – 4.0 | – 0.7 |
| Interest received | 1.7 | 0.9 |
| Interest paid | – 4.4 | – 5.0 |
| Income tax paid | – 29.1 | – 29.5 |
| Change in provisions and retirement benefit obligations | 2.4 | 0.1 |
| Change in receivables | – 99.4 | – 45.9 |
| Change in inventories | – 15.9 | – 22.2 |
| Change in advances from customers | – 129.1 | – 152.6 |
| Change in payables | 74.3 | 26.7 |
| Other changes in working capital | – 0.5 | – 0.2 |
| **Net cash flow from operating activities** | **– 21.3** | **– 53.5** |
| Purchases of property, plant and equipment | – 59.4 | – 35.8 |
| Proceeds from sale of property, plant and equipment | 0.6 | 0.5 |
| Purchases of intangible assets | – 1.0 | – 1.6 |
| Purchases of short-term investments and financial assets | – 5.9 | – 0.8 |
| Proceeds from sale of short-term investments and financial assets | 1.1 | 0.8 |
| Acquisition | – 33.8 | – |
| Disposal | 4.8 | 0.9 |
| Acquisition of associates | – | – 0.2 |
| Dividend received | 0.3 | 0.2 |
| **Net cash flow from investing activities** | **– 93.3** | **– 36.0** |
| Purchases of treasury shares | – | – 6.4 |
| Proceeds from sale of treasury shares | 21.4 | 2.5 |
| Proceeds from long-term financial liabilities | 31.0 | 21.8 |
| Repayment of long-term financial liabilities | – 5.7 | – 1.3 |
| Proceeds from short-term financial liabilities | 64.2 | 63.1 |
| Repayment of short-term financial liabilities | – 59.5 | – 58.7 |
| Dividend paid | – 50.9 | – 43.5 |
| **Net cash flow from financing activities** | **0.5** | **– 22.5** |
| Effect of exchange rate changes | 4.0 | – 1.5 |
| **Net change in cash and cash equivalents** | **– 110.1** | **– 113.5** |
| Cash and cash equivalents at 1 January | 424.6 | 402.8 |
| **Cash and cash equivalents at 30 June** | **314.5** | **289.3** |

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

## Consolidated statement of changes in equity

| CHF million | Share capital | Retained earnings | Treasury shares | Currency translation reserve | Fair value reserve | Cash flow hedge reserve | Attributable to owners of Bucher Industries AG | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 31 December 2011** | **2.1** | **1 091.0** | **– 69.4** | **– 251.6** | **6.2** | **2.5** | **780.8** | **33.6** | **814.4** |
| Restatement[1), 2)] | | – 18.2 | | – 0.3 | | | – 18.5 | – | **– 18.5** |
| **Balance at 1 January 2012[1)]** | **2.1** | **1 072.8** | **– 69.4** | **– 251.9** | **6.2** | **2.5** | **762.3** | **33.6** | **795.9** |
| Profit/(loss) for the period[1)] | | 90.0 | | | | | 90.0 | 1.1 | **91.1** |
| Other comprehensive income[1)] | | – 6.4 | | – 0.7 | – | – 1.6 | – 8.7 | – 0.3 | **– 9.0** |
| **Total comprehensive income[1)]** | | **83.6** | | **– 0.7** | **–** | **– 1.6** | **81.3** | **0.8** | **82.1** |
| Change in treasury shares | | 0.7 | – 3.7 | | | | – 3.0 | | **– 3.0** |
| Share based payments | | 3.0 | 1.3 | | | | 4.3 | | **4.3** |
| Reduction in share capital | – | – 50.2 | 50.2 | | | | – | | **–** |
| Change in non-controlling interests | | – 2.0 | | | | | – 2.0 | 1.3 | **– 0.7** |
| Dividend | | – 39.1 | | | | | – 39.1 | – 4.4 | **– 43.5** |
| **Balance at 30 June 2012[1)]** | **2.1** | **1 068.8** | **– 21.6** | **– 252.6** | **6.2** | **0.9** | **803.8** | **31.3** | **835.1** |
| **Balance at 1 January 2013** | **2.1** | **1 127.5** | **– 21.2** | **– 262.0** | **6.6** | **1.9** | **854.9** | **35.4** | **890.3** |
| Profit/(loss) for the period | | 95.6 | | | | | 95.6 | – 0.5 | **95.1** |
| Other comprehensive income | | – 1.7 | | 19.9 | 0.5 | – 0.3 | 18.4 | 1.2 | **19.6** |
| **Total comprehensive income** | | **93.9** | | **19.9** | **0.5** | **– 0.3** | **114.0** | **0.7** | **114.7** |
| Change in treasury shares | | 12.6 | 3.9 | | | | 16.5 | | **16.5** |
| Share based payments | | 5.2 | 2.5 | | | | 7.7 | | **7.7** |
| Dividend | | – 49.6 | | | | | – 49.6 | – 1.3 | **– 50.9** |
| **Balance at 30 June 2013** | **2.1** | **1 189.6** | **– 14.8** | **– 242.1** | **7.1** | **1.6** | **943.5** | **34.8** | **978.3** |

1) 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.
2) Employee benefits of CHF 24.2 million less deferred tax of CHF 6.0 million.

# Notes to the consolidated financial statements

**Financial position and results of operations** Bucher Industries profited from the generally favourable business climate in all market segments, although there were regional variations in the market trends. In this environment, order intake improved year on year by 13.5% to CHF 1 226.7 million. Adjusted for currency, acquisition and disposal effects, the increase amounted to 10.7%, with the positive currency effects contributing 0.8%. Combined with the solid order book at the beginning of the year, this ensured good capacity utilisation. Net sales came in at CHF 1 409.9 million, 2.1% higher than the high level at the same time last year, which was influenced by two major orders with a volume of around CHF 69 million. Adjusted for currency, acquisition and disposal effects, sales were on a par with the same period of 2012. The acquisitions contributed 2.2% and the foreign exchange effects 0.9% to the trend in sales. Compared with the same period of 2012, the changes in average exchange rates of currencies against the Swiss franc were as follows: EUR up 1.7%, USD up 0.9%, GBP down 1.2% and SEK up 5.4%.

Bucher Industries took advantage of the positive business development, further increasing profitability year on year thanks to the high capacity utilisation and the ongoing cost optimisation measures. The gain made on Bucher Municipal's sale of its hand-drier business contributed CHF 4.1 million. EBITDA improved by 6.3% to CHF 181.8 million (six months ended 30 June 2012: CHF 171.1 million). The EBITDA margin reached 12.9% (12.4%). EBIT was CHF 140.9 million (CHF 134.3 million), with a good EBIT margin of 10.0% (9.7%). Finance income resulted largely from unrealised foreign exchange losses on valuations and hedges, as well as from interest income. Finance costs were reduced by a further CHF 0.7 million to CHF 8.5 million thanks to improved lending conditions and lower bank loans. Income tax expense was accrued using the average effective tax rates for the current financial year and amounted to CHF 37.9 million for the first half of 2013 (CHF 36.4 million). The tax rate was 28.5% (28.6%). The Group's profit for the period of CHF 95.1 million (CHF 91.1 million) represented 6.7% (6.6%) of net sales.

Net operating assets increased to CHF 1 143.3 million, CHF 88.3 million higher than for the same period of 2012 and CHF 242.7 million higher than the year-end figure. Apart from an acquisition effect of around CHF 49 million, the contributors to this development were the volume-related increase in trade receivables and inventories and the seasonal reduction in advances from customers. The healthy profitability resulted in a return on net operating assets (RONOA) after tax of 19.8%, significantly higher than the cost of capital and well above the long-range target of 16.0%.

Operating free cash flow was minus CHF 81.1 million, mainly because of higher working capital and increased investments of CHF 60.4 million, up CHF 23.0 million on the same period of 2012. The most important individual projects were the expansion of Kuhn Group in France and in the Netherlands, as well as the consolidation of the production plants of Johnston Sweepers in England. Free cash flow was minus CHF 144.1 million. Contributing factors were acquisitions with CHF 33.8 million and higher dividends with a total of CHF 50.9 million. The proceeds from sale of treasury shares of CHF 21.4 million through active management and exercise of employee options had a positive effect on free cash flow.

## Cash flow/free cash flow

CHF million

| January – June | 2013 | 2012[1] |
|---|---|---|
| **Net cash flow from operating activities** | **– 21.3** | **– 53.5** |
| Purchases of property, plant and equipment | – 59.4 | – 35.8 |
| Proceeds from sale of property, plant and equipment | 0.6 | 0.5 |
| Purchases of intangible assets | – 1.0 | – 1.6 |
| **Operating free cash flow** | **– 81.1** | **– 90.4** |
| Purchases of short-term investments and financial assets | – 5.9 | – 0.8 |
| Proceeds from sale of short-term investments and financial assets | 1.1 | 0.8 |
| Acquisition | – 33.8 | – |
| Disposal | 4.8 | 0.9 |
| Acquisition of associates | – | – 0.2 |
| Purchases of treasury shares | – | – 6.4 |
| Proceeds from sale of treasury shares | 21.4 | 2.5 |
| Dividend received | 0.3 | 0.2 |
| Dividend paid | – 50.9 | – 43.5 |
| **Free cash flow** | **– 144.1** | **– 136.9** |

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

Bank loans totalling CHF 55.0 million became due for repayment in the first half of 2013. Bucher Industries repaid CHF 30.0 million and renegotiated the terms for CHF 25.0 million. As part of the process of interest rate management, the Group took advantage of favourable short-term financing facilities. This resulted in a temporary increase in short-term financial liabilities. The undrawn committed credit facilities amounted to CHF 295.0 million (six months ended 30 June 2012: CHF 270.0 million).

Net debt on 30 June 2013 was CHF 165.4 million (30 June 2012: CHF 209.0 million). This will fall again significantly in the second half of the year due to seasonal factors. The financial covenants are reviewed every six months. All terms of credit were complied with on the reporting date of 30 June 2013. Equity increased by CHF 88.0 million to CHF 978.3 million in the first half of 2013. The equity ratio was 40.9%, an increase of 1.5 percentage points on the end of 2012. The ratio of long-term debt to total debt was 63.6% (30 June 2012: 76.1%, 31 December 2012: 69.5%). Intangible assets amounted to CHF 172.0 million, of which goodwill accounted for CHF 75.7 million. represented 7.7% of equity (30 June 2012: 9.0%).

CHF million

| | **30 June 2013** | **30 June 2012**[1)] |
|---|---|---|
| Net tangible worth (equity less goodwill) | 902.6 | 759.8 |
| Gearing ratio (net debt to equity) | 16.9% | 25.0% |
| Return on equity (ROE)[2)] | 17.6% | 21.0% |
| Interest coverage ratio (EBITDA to net interest expense)[2)] | 28.1 | 20.1 |
| Debt payback period (net debt to EBITDA)[2)] | 0.5 | 0.7 |

1) 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.
2) Rolling calculation from 1 July to 30 June.

**Group accounting policies** The unaudited financial statements for the six months ended 30 June 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) in general and with IAS 34 "Interim Financial Reporting" in particular.

The group accounting policies set out in the annual report 2012 have been applied consistently in preparing the interim report, except for the new or revised standards and interpretations published by the International Accounting Standards Board (IASB) and implemented on 1 January 2013.

| Standard/Interpretation | | Effective date |
|---|---|---|
| **New standards** | | |
| IFRS 10 | Consolidated financial statements | 1 January 2013 |
| IFRS 11 | Joint arrangements | 1 January 2013 |
| IFRS 12 | Disclosure of involvement with other entities | 1 January 2013 |
| IFRS 13 | Fair value measurement | 1 January 2013 |
| **Revised standards and interpretations** | | |
| IAS 19 | Employee benefits: improvements to the accounting for post-employment benefits | 1 January 2013 |
| IAS 28 | Investments in associates and joint ventures | 1 January 2013 |
| Div. | Various amendments and annual improvements to IFRSs | 1 January 2013 |

With the exception of IAS 19 revised, there were no changes with a significant impact on the result or the financial situation. The effects arising from the application of IAS 19 revised are disclosed on the the pages 20 and 21.

**Future standards not yet adopted** Bucher Industries is currently assessing the possible impact of the new and revised standards and interpretations which have not been adopted early in the present consolidated financial statements. These changes are not expected to have a significant impact on the result or the financial situation of the Group.

**Management's assumptions and estimates** The preparation of consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements. If in the future such estimates and assumptions deviate from the actual circumstances, reported amounts will be restated as appropriate in the year in which the circumstances change. Any assumptions and estimates made by management in the consolidated interim financial statements are consistent with those in the consolidated financial statements for the year ended 31 December 2012. Income tax expense is accrued using the average effective tax rates for the current financial year.

**Fair value disclosures** Measurements of financial instruments carried at fair value in the balance sheet are classified using a three-level hierarchy that reflects the significance of the inputs used in making the measurement. During the reporting period, no reclassifications were undertaken between the different hierarchical levels that reflect the significance of the inputs used in making the measurements.

| CHF million | Available-for-sale | At fair value through profit or loss | Held for hedge accounting | Fair value | Fair value hierarchy |
|---|---|---|---|---|---|
| **30 June** | | | | **2013** | |
| Cash and cash equivalents | | 173.5 | | **173.5** | 1 |
| Short-term investments | 55.3 | 8.1 | | **63.4** | 1 |
| **Non-derivative financial instruments** | **55.3** | **181.6** | | **236.9** | |
| Forward currency contract (asset) | | 6.4 | 3.4 | **9.8** | 2 |
| Forward currency contract (liability) | | − 1.6 | − 0.5 | **− 2.1** | 2 |
| **Derivative financial instruments** | | **4.8** | **2.9** | **7.7** | |
| **31 December** | | | | **2012** | |
| Cash and cash equivalents | | 278.7 | | **278.7** | 1 |
| Short-term investments | 53.4 | 2.3 | | **55.7** | 1 |
| **Non-derivative financial instruments** | **53.4** | **281.0** | | **334.4** | |
| Forward currency contract (asset) | | 3.8 | 2.8 | **6.6** | 2 |
| Forward currency contract (liability) | | − 1.3 | − 0.1 | **− 1.4** | 2 |
| **Derivative financial instruments** | | **2.5** | **2.7** | **5.2** | |

**Application of IAS 19 "Employee benefit (revised)"** With the elimination of the corridor approach, all actuarial gains and losses will be recognised in the statement of comprehensive income. The standard further requires that the interest return on plan assets is calculated at the discount rate applied in the calculation of present value of defined benefit obligations. Up to now, the expected return on plan assets has been based on a value which was higher than the discount rate. The revised standard was applied retrospectively as per 1 January 2012. The effect on equity is shown in the consolidated statement of changes in equity. Corresponding adjustments were made to the previous year's positions.

## Effects on the consolidated balance sheet

| CHF million | Restated | Adjustment | Reported |
|---|---|---|---|
| **30 June** | **2012** | | **2012** |
| Other financial assets | 28.0 | − 5.0 | 33.0 |
| Investments in associates | 14.9 | − 0.3 | 15.2 |
| Deferred income tax assets | 41.3 | 8.1 | 33.2 |
| Retirement benefit obligations | 43.2 | − 27.0 | 16.2 |
| **Equity** | **835.1** | **− 24.2** | **859.3** |
| Attributable to owners of Bucher Industries AG | 803.8 | − 24.2 | 828.0 |
| Attributable to non-controlling interests | 31.3 | – | 31.3 |

| CHF million | Restated | Adjustment | Reported |
|---|---|---|---|
| **31 December** | **2012** | | **2012** |
| Other financial assets | 34.4 | − 5.0 | 39.4 |
| Investments in associates | 16.1 | − 0.3 | 16.4 |
| Deferred income tax assets | 44.0 | 8.4 | 35.6 |
| Deferred income tax liabilities | 43.9 | − 0.2 | 43.7 |
| Retirement benefit obligations | 46.0 | − 28.3 | 17.7 |
| **Equity** | **890.3** | **− 25.4** | **915.7** |
| Attributable to owners of Bucher Industries AG | 854.9 | − 25.4 | 880.3 |
| Attributable to non-controlling interests | 35.4 | – | 35.4 |

## Effects on the consolidated income statement

| CHF million | Restated | Adjustment | Reported |
|---|---|---|---|
| **January – June** | **2012** | | **2012** |
| Employment costs | – 329.5 | 1.3 | – 330.8 |
| Income tax expense | – 36.4 | – 0.4 | – 36.0 |
| **Profit/(loss) for the period** | **91.1** | **0.9** | **90.2** |
| Attributable to owners of Bucher Industries AG | 90.0 | 0.9 | 89.1 |
| Attributable to non-controlling interests | 1.1 | – | 1.1 |
| Basic earnings per share in CHF | 9.21 | 0.09 | 9.12 |
| Diluted earnings per share in CHF | 9.16 | 0.09 | 9.07 |

## Effects on the consolidated statement of comprehensive income

| CHF million | Restated | Adjustment | Reported |
|---|---|---|---|
| **January – June** | **2012** | | **2012** |
| **Profit/(loss) for the period** | **91.1** | **0.9** | **90.2** |
| Change in actuarial gains/(losses) on defined benefit pension plans | – 8.5 | – 8.5 | – |
| Change in actuarial gains/(losses) on defined benefit pension plans of associates | – 0.1 | – 0.1 | – |
| Income tax | 2.2 | 2.2 | – |
| Change in currency translation reserve | – 1.6 | – 0.2 | – 1.4 |
| **Other comprehensive income, net of tax** | **– 9.0** | **– 6.6** | **– 2.4** |
| **Total comprehensive income** | **82.1** | **– 5.7** | **87.8** |
| Attributable to owners of Bucher Industries AG | 81.3 | – 5.7 | 87.0 |
| Attributable to non-controlling interests | 0.8 | – | 0.8 |

## Effects on the consolidated cash flow statement

| CHF million | Restated | Adjustment | Reported |
|---|---|---|---|
| **January – June** | **2012** | | **2012** |
| **Profit/(loss) for the period** | **91.1** | **0.9** | **90.2** |
| Income tax expense | 36.4 | 0.4 | 36.0 |
| Change in provisions and retirement benefit obligations | 0.1 | – 1.3 | 1.4 |
| **Net cash flow from operating activities** | **– 53.5** | **–** | **– 53.5** |

**Segment information** The Group comprises four specialised divisions in industrially related areas of mechanical and vehicle engineering as well as a segment encompassing of independent businesses. Although they are technologically related, the segments are quite distinct from each other in terms of products and sales markets. Responsibility for the management and performance of the segments is therefore decentralised. The following summary describes the operations of each of the reportable segments:

Kuhn Group is the world's leading supplier of specialised agricultural machinery for tillage, seeding, fertilisation, spraying, landscape maintenance, hay and forage harvesting, livestock bedding and feeding.

Bucher Municipal is the European and Australian market leader in municipal vehicles for cleaning and clearing snow from public and private spaces offering a wide range of compact and truck-mounted sweepers, winter maintenance equipment and refuse collection vehicles.

Bucher Hydraulics is a leading international manufacturer of advanced hydraulic systems. The wide range of products includes pumps, motors, valves, power units, cylinders, elevator drives and control systems with integrated electronics.

Emhart Glass is the world's leading supplier of advanced technologies for manufacturing and inspecting glass containers. Its portfolio consists of glass forming and inspection machinery, systems, components, spare parts, advice and services for the glass container industry.

Bucher Specials comprises independent businesses with machinery and equipment for winemaking (Bucher Vaslin), equipment and technologies for processing fruit juice and instant products and for dewatering sewage sludge (Bucher Unipektin), as well as a Swiss distributorship for tractors and agricultural machinery (Bucher Landtechnik).

The performance of each of the divisions and the Bucher Specials segment is evaluated on the basis of operating profit or loss which is measured consistently for management reporting. The figures reported as “other/consolidation” comprise the results of the holding, finance and management companies, as well as consolidation adjustments for intersegment transactions. The principal associates are not allocated to any segment. Intersegment sales amounted to CHF 8.8 million for Kuhn Group and CHF 1.8 million for Bucher Hydraulics. Intersegment sales in the other divisions and the Bucher Specials segment were zero or only marginal. These internal transactions were carried out at arm’s length, on normal commercial terms. Operating assets include actual and accrued receivables, inventories, property, plant and equipment and intangible assets.

| CHF million | Net sales | | Operating profit (EBIT) | | Operating assets | | Operating liabilities | |
|---|---|---|---|---|---|---|---|---|
| | January – June | | January – June | | 30 June | 31 December | 30 June | 31 December |
| | **2013** | **2012** | **2013** | **2012[1]** | **2013** | **2012** | **2013** | **2012** |
| Kuhn Group | 743.9 | 696.5 | 102.8 | 88.0 | 818.2 | 727.7 | 407.2 | 466.4 |
| Bucher Municipal | 167.6 | 203.6 | 12.1 | 20.0 | 231.2 | 227.0 | 93.6 | 97.9 |
| Bucher Hydraulics | 234.7 | 220.8 | 24.5 | 22.1 | 318.4 | 248.5 | 65.0 | 49.8 |
| Emhart Glass | 167.0 | 174.3 | 5.0 | 4.3 | 334.8 | 341.2 | 97.4 | 97.6 |
| Bucher Specials | 107.5 | 96.1 | 5.9 | 6.0 | 156.8 | 105.1 | 87.2 | 57.8 |
| **Reportable segments** | **1 420.7** | **1 391.3** | **150.3** | **140.4** | **1 859.4** | **1 649.5** | **750.4** | **769.5** |
| Other/consolidation | – 10.8 | – 10.6 | – 9.4 | – 6.1 | 54.3 | 28.6 | 20.0 | 8.0 |
| **Group** | **1 409.9** | **1 380.7** | **140.9** | **134.3** | **1 913.7** | **1 678.1** | **770.4** | **777.5** |

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

## Reconciliation of segment results

| CHF million | | |
|---|---|---|
| **January – June** | **2013** | **2012[1]** |
| Segment operating profit | 150.3 | 140.4 |
| Other/consolidation | – 9.4 | – 6.1 |
| **Group operating profit** | **140.9** | **134.3** |
| Share of profit/(loss) of associates | 0.6 | 0.6 |
| Finance costs | – 8.5 | – 9.2 |
| Finance income | – | 1.8 |
| **Profit before tax** | **133.0** | **127.5** |

[1] 2012: retrospective restatement owing to first application of IAS 19 “Employee benefits (revised)”.

## Acquisitions and disposals

**Bucher Filtrox Systems AG** On 6 February 2013, Bucher Industries acquired a 100% interest in Filtrox Engineering AG in St. Gallen, Switzerland. Thanks to its wide range of modern filtration technologies, Filtrox Engineering is engaged in the area of beer filtration and certain areas of microfiltration for the food and drinks industry. The acquisition strengthens the drinks technologies of Bucher Unipektin and provides the company with an entry into the worldwide beer market. The company was renamed Bucher Filtrox Systems AG.

**Bucher Hydraulics Erding GmbH** On 12 February 2013, Bucher Industries acquired all shares in Ölhydraulik Altenerding Dechamps & Kretz GmbH & Co. KG, Germany, for the Bucher Hydraulics division. This medium-sized company specialises in advanced hydraulic cylinder technology in high-pressure applications, complementing Bucher Hydraulics existing product portfolio in hydraulic systems. The company was renamed Bucher Hydraulics Erding GmbH.

The purchase price in both acquisitions, including acquisition of liabilities, was CHF 38.6 million, which was settled in full from cash and cash equivalents. The value of receivables acquired represented fair value. At the reporting date, the process to determine the fair values of identifiable assets, goodwill, liabilities and contingent liabilities of the two acquisitions was not yet completed. Both goodwill and the volume and amounts of identifiable assets, liabilities and contingent liabilities can therefore still change. Since the acquisition date, sales of CHF 30.1 million were generated. The effect on net profit was insignificant. The total acquisition costs of CHF 0.4 million were already recognised under other operating expenses in the reporting year 2012.

**MacDonald Johnston Ltd.** On 1 May 2013, Bucher Municipal sold the hand-drier business in Australia of MacDonald Johnston Ltd. The sale generated a gain of CHF 4.1 million, which was recognised in other operating income.

| CHF million | Fair value on acquisition | Disposal | Disposal |
|---|---|---|---|
| | **2013** | **2013** | **2012** |
| Cash and cash equivalents | 5.4 | – | – 0.6 |
| Trade receivables | 10.6 | – | – 0.8 |
| Other receivables | 2.1 | – | – |
| Inventories | 11.7 | – 0.8 | – 0.8 |
| Property, plant and equipment | 23.2 | – 0.1 | – 0.9 |
| Intangible assets | 15.1 | – | – |
| Deferred income tax assets | 0.4 | – | – 0.1 |
| Financial liabilities – current | – 3.8 | – | 0.8 |
| Trade payables | – 6.2 | – | 0.6 |
| Advances from customers | – 2.2 | – | 0.1 |
| Current income tax liabilities | – 0.3 | – | – |
| Provisions – short-term | – 0.8 | 0.1 | – |
| Other payables | – 3.6 | 0.1 | 0.1 |
| Financial liabilities – non-current | – 8.1 | – | – |
| Deferred income tax liabilities | – 2.3 | – | – |
| Retirement benefit obligations | – 1.8 | – | 0.1 |
| **Net assets** | **39.4** | **– 0.7** | **– 1.5** |
| Non-controlling interests | – | – | 0.7 |
| Goodwill | – | – | – |
| Currency translation reserve | – | – | – 0.5 |
| Gain on disposal | – | – 4.1 | – 0.2 |
| **Total purchase consideration** | **39.4** | **– 4.8** | **– 1.5** |
| Cash and cash equivalents | – 5.4 | – | 0.6 |
| Contingent consideration | – | – | – |
| Deferred consideration | – 0.2 | – | – |
| **Net cash flow on acquisition/disposal** | **33.8** | **– 4.8** | **– 0.9** |

## Foreign exchange rates

| | Income statement average rates January – June | | Balance sheet closing rates 30 June | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| 1 EUR | 1.2257 | 1.2051 | 1.2338 | 1.2030 |
| 1 GBP | 1.4455 | 1.4630 | 1.4393 | 1.4911 |
| 1 USD | 0.9345 | 0.9265 | 0.9433 | 0.9555 |
| 1 BRL | 0.4562 | 0.4974 | 0.4269 | 0.4665 |
| 1 AUD | 0.9424 | 0.9578 | 0.8707 | 0.9750 |
| 1 CNY | 0.1510 | 0.1467 | 0.1537 | 0.1504 |
| 100 SEK | 14.3200 | 13.5800 | 14.0600 | 13.7100 |

**Event after the reporting period** On 1 July 2013, Bucher Industries acquired 100% shares of Eco Sistemas Indústria de Máquinas Ltda., Brazil, for the Bucher Hydraulics division. Eco Sistemas manufactures hydraulic power units for mobile and industrial applications and acts as a system integrator of valves and other hydraulic products in the Brazilian market. Eco Sistemas, which has 60 employees, generated sales of around CHF 10 million in 2012. The acquisition will provide a platform to enhance the division's global presence and create a local base in South America, with engineering, manufacturing, sales and after-sales capacities. The know-how of Eco Sistemas as a recognised system integrator of hydraulic solutions along with its well-established client base in Brazil were key factors in Bucher Hydraulics' decision to partner with the company. At the time of approval of the consolidated financial statements, the process to determine the fair values of identifiable assets, goodwill, liabilities and contingent liabilities was not yet completed. On the basis of the preliminary purchase price allocation, the Group expects net assets of around CHF 8 million, including identifiable intangible assets of around CHF 4 million, as well as goodwill of around CHF 4 million. The goodwill represents the potential synergies, the know-how of the employees and the entry to the market mentioned above.

**Approval of the consolidated interim financial statements** The consolidated interim financial statements were authorised for issue by the board of directors on 26 July 2013.

# Financial calendar

| | | |
|---|---|---|
| Release of third quarter 2013 group sales | 25 October 2013 | |
| Release of 2013 group sales | 30 January 2014 | |
| Annual press conference | 06 March 2014 | 9.00 am |
| Annual analyst conference | 06 March 2014 | 2.00 pm |
| Publication of annual report 2013 | 06 March 2014 | |
| Annual general meeting (Mövenpick Hotel, Regensdorf) | 10 April 2014 | 4.00 pm |
| First traiding date ex-dividend | 14 April 2014 | |
| Dividend payment | 17 April 2014 | |
| Release of first quarter 2014 group sales | 29 April 2014 | |
| Conference call on interim results 2014 | 30 July 2014 | |
| Publication of interim report 2014 | 30 July 2014 | |
| Release of third quarter 2014 group sales | 27 October 2014 | |

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