

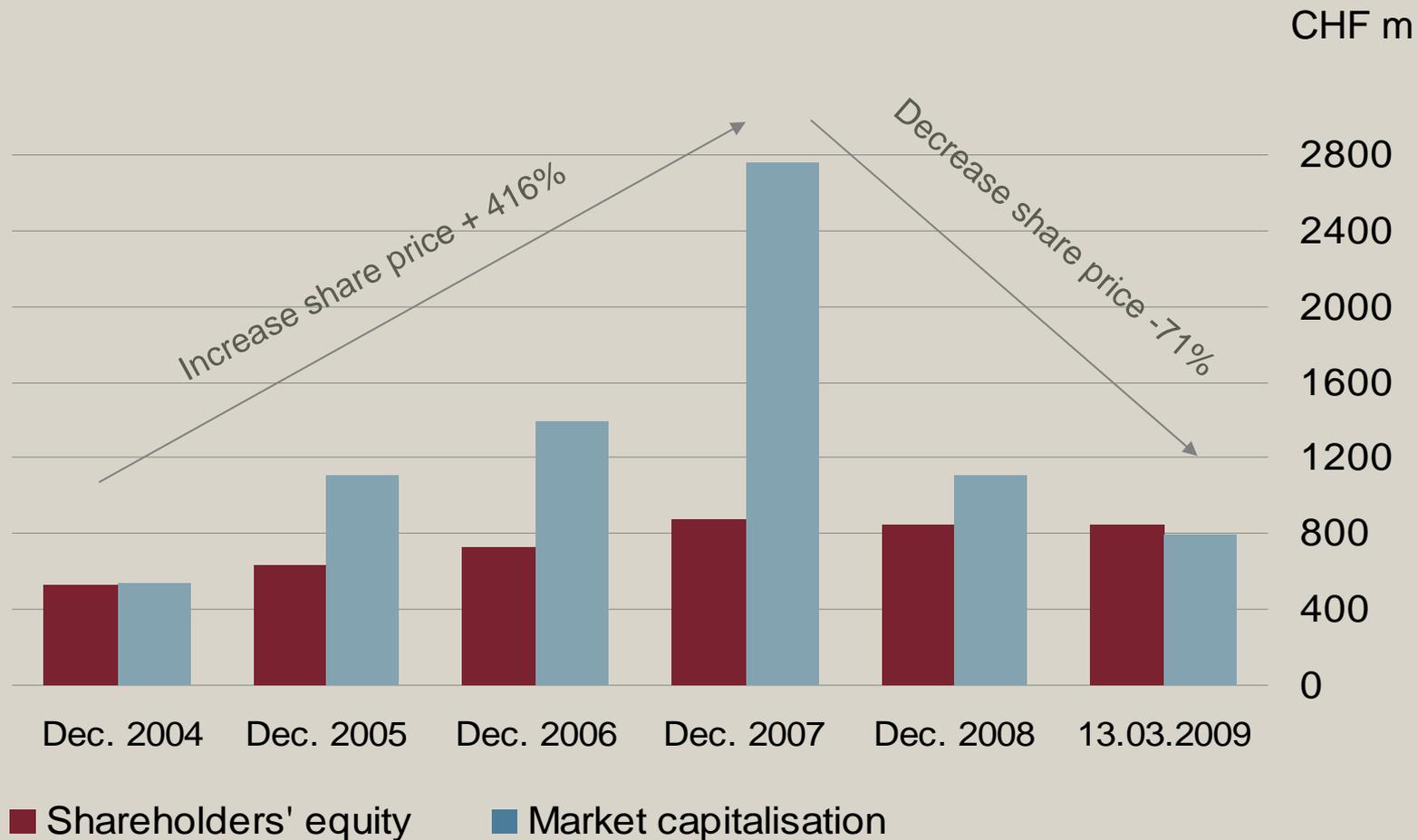
**Annual press conference and  
annual analyst conference**

**Kurt Siegenthaler, Chairman**  
**Philip Mosimann, CEO**  
**Roger Baillod, CFO**

# Annual press conference and annual analyst conference



# Stock market capitalisation



# Dividend / payout ratio



**Annual Report 2008**  
**Philip Mosimann, CEO**

## Group at a glance

- Continued strong organic sales growth
  - 16% last year
  - Sales doubled since 2002
- EBIT margin before impairment charges improved in all the divisions except Bucher Hydraulics
- Group sales increased by 13% to CHF 2.8 billion
- High currency impact on sales (-6% / CHF -149 million), net financial items (CHF -23 million) and equity (CHF -123 million)
- Economic slump and CHF 39 million in impairment charges due to the financial crisis
- Profit for the year of CHF 145 million, 15% down year on year

## Group at a glance (continued)

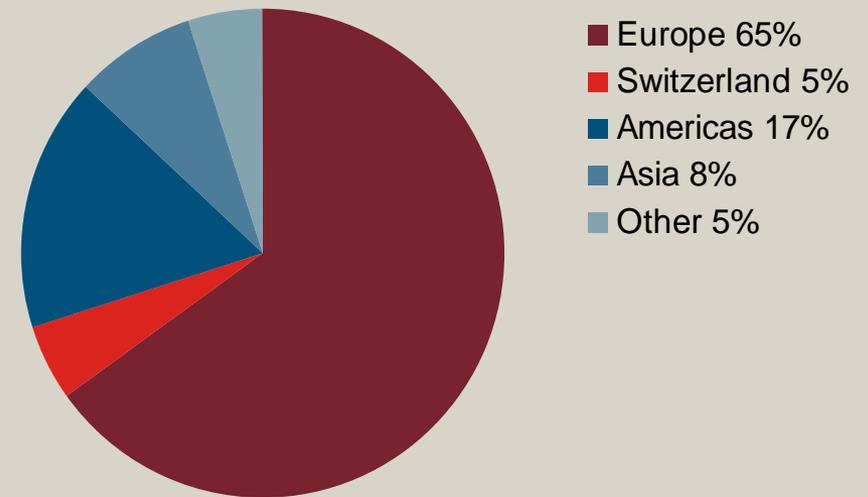
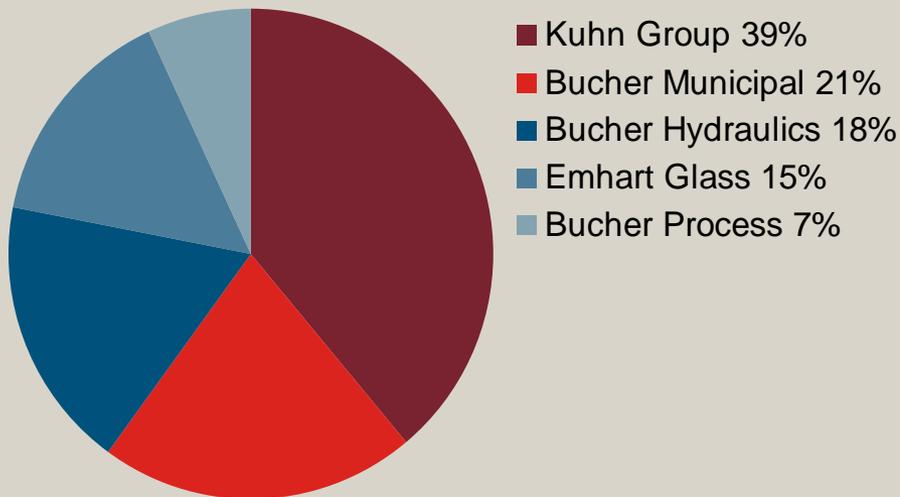
- Solid operating ratios
  - EBITDA margin up from 11.6% to 12.2%
  - EBIT margin up from 9.3% to 9.9% (before impairment charges)
  - Operating return of 18.5% RONOA after tax, exceeding the target of 16%
- Market and technology leadership expanded
  - Kuhn Group:                   Blanchard (sprayers)  
                                          Geldrop (balers and bale wrappers)
  - Bucher Hydraulics:        Monarch Hydraulics Inc.  
                                          Command Controls Corp. (cartridge valves)
- Solid balance sheet
  - Low net debt of CHF 111 million
  - Unchanged equity ratio of 41%

## Key figures

CHF million	2008	2007	% change
Order intake	2 792	2 704	3.2
Net sales	2 789	2 459	13.4
Order book	843	871	-3.2
Operating profit (EBITDA) as % of net sales	342 12.2%	286 11.6%	19.5
Operating profit (EBIT) before impairment as % of net sales	276 9.9%	229 9.3%	20.4
Operating profit (EBIT) as % of net sales	246 8.8%	229 9.3%	7.3
Profit for the year as % of net sales	145 5.2%	171 7.0%	-15.0

# Net sales by division and region in 2008

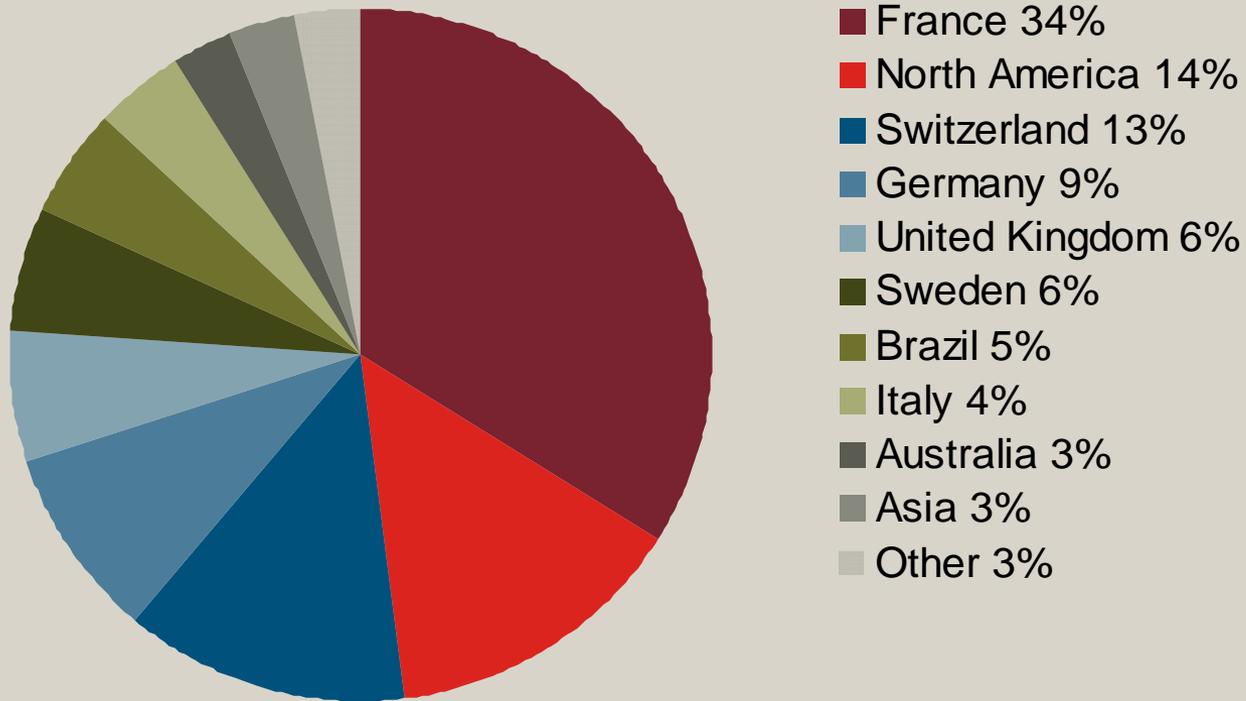
CHF 2 789 million



## Employee numbers

<b>Number of employees</b>	<b>2008</b>	<b>2007</b>	<b>% change</b>
At 31 December	8 373	7 484	11.9
attributable to acquisitions	390	155	
Average during year	8 176	7 261	12.6

## Number of employees by region in 2008



## Investing in the future

CHF million	2008	2007	% change
Development expenses	78	71	9.8
Capital expenditure on property, plant and equipment	131	131	-0.2
Acquisitions	152	30	

## Five divisions



### **Kuhn Group**

Machinery for hay and forage harvesting, bedding and feeding, tillage, seeding, fertilisation and spraying

Sales CHF 1 100 m  
Employees 3 600

### **Bucher Municipal**

Municipal vehicles for cleaning and removing snow from public and private traffic areas

Sales CHF 600 m  
Employees 1 500

### **Bucher Process**

Machinery and equipment for wine and fruit juice production, plus a range of drying systems

Sales CHF 200 m  
Employees 500

### **Bucher Hydraulics**

Custom hydraulic drive and control systems for mobile and industrial hydraulic applications

Sales CHF 500 m  
Employees 1 700

### **Emhart Glass**

Machinery, components, systems and services for the glass container industry

Sales CHF 400 m  
Employees 1 100

## Division results

CHF million	2008		2007	
	EBIT	EBIT margin	EBIT	EBIT margin
Kuhn Group	137	12.4%	108	11.6%
Bucher Municipal*	43	7.4%		
	38	6.6%	37	6.6%
Bucher Process	24	12.4%	19	10.9%
Bucher Hydraulics*	56	11.3%		
	31	6.3%	59	15.1%
Emhart Glass	35	8.4%	33	7.9%
Other/consolidation	-19		-27	
<b>Bucher Industries*</b>	<b>276</b>	<b>9.9%</b>		
	<b>246</b>	<b>8.8%</b>	<b>229</b>	<b>9.3%</b>

\* Before / after impairment charges

# Kuhn Group

## Specialised agricultural machinery



Ploughing



Tillage



Seeding



Fertilisation



Manure spreaders



Spraying

Hay & forage  
harvesting

Feed storage



Bedding &amp; feeding

Landscape  
maintenance

# Kuhn Group

## 2008 highlights

- Very good performance: sales of CHF 1 106 million
  - Local-currency sales growth of 26%
  - Order intake up 24% in local currency
- All geographical markets contributed to the growth, with Brazil surpassing the previous record reached in 2004
- Operating EBIT of CHF 137 million, up 27%
- Continued improvement in the EBIT margin from 11.6% to 12.4%
- Assembly plant in France commissioned early
- Product portfolio strengthened selectively
  - Blanchard: sprayers (sales 2008: EUR 25 million)
  - Geldrop: balers and bale wrappers (sales 2008: EUR 117 million)

# Inauguration assembly plant in France with French minister of agriculture Mr Barnier



# Kuhn Group

## Complete product range under one brand

Competitors	Hay and forage			balers	hedge cutters	feed mixers	tillage equipment		seeders		sprea- ders	spray- ers	trac- tors	harvesters selfpropelled
	mowers	tedders	rakes				driven	non-driven	drilling	precision				
<b>Kuhn Group</b>														
John Deere														
CNH														
AGCO														
Claas													Renault	
Krone														
Amazone														
Pöttinger														
Kverneland														
Exel / Hardi														
Lemken														
Horsch														
Väderstad														
Kongskilde														
Lely														
Sulky														
Monosem														

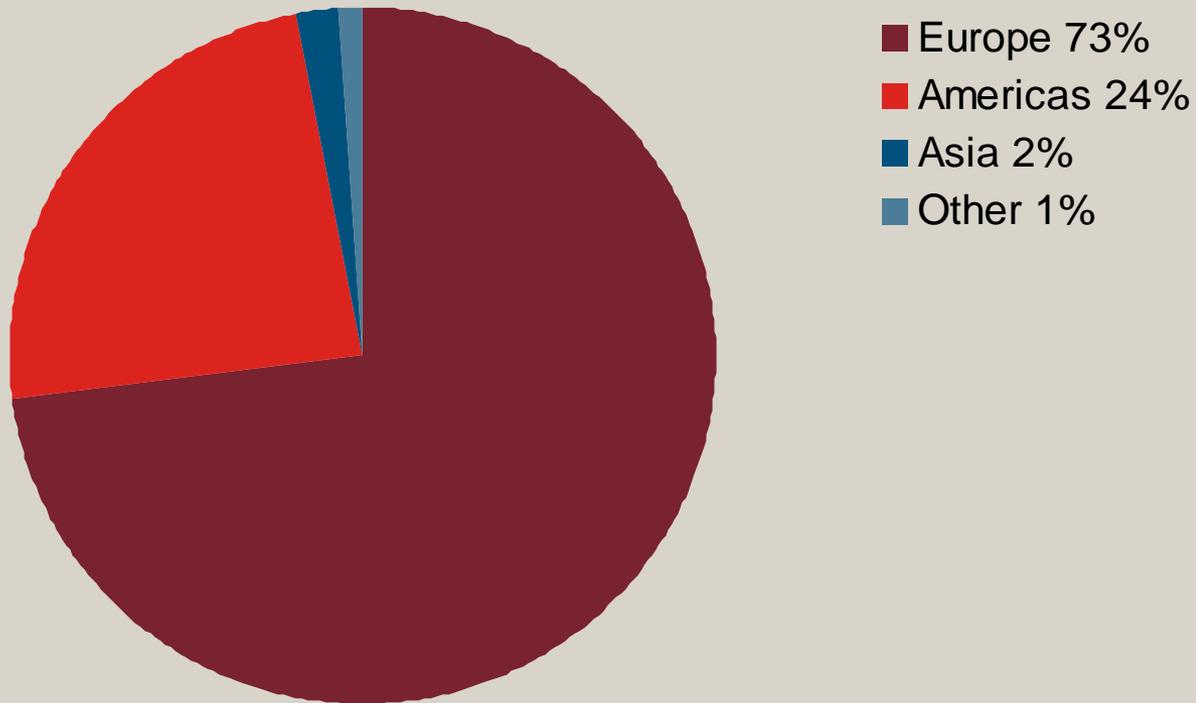
# Kuhn Group

## Key figures

CHF million	<b>2008</b>	<b>2007</b>	% change
Order intake	1 224	1 045	17.1
Net sales	1 106	929	19.0
Order book	432	333	29.8
Operating profit (EBITDA) as % of net sales	157 14.2%	127 13.6%	23.8
Operating profit (EBIT) as % of net sales	137 12.4%	108 11.6%	27.1
Number of employees at 31 December	3 563	3 077	15.8
Average number of employees during year	3 384	2 956	14.5

# Kuhn Group

## Net sales by region in 2008



# Kuhn Group Outlook for 2009

- Sluggish lending
  - Hitting growth regions of Eastern Europe, Russia and Brazil particularly hard
  - Also affecting main markets of Western Europe and North America
- Milk and meat prices falling
- Future prospects for agriculture remaining bright
- Strong order book, with sales supported by acquisitions of Kuhn-Blanchard and Kuhn-Geldrop
- Flexible cost structures to support capacity utilisation
- Sales expected to be about level with 2008 with a slightly lower EBIT margin

# Bucher Municipal Sweepers and winter maintenance equipment



Compact sweepers



Truck mounted sweepers



Spreaders



Snow blowers



Refuse collection vehicles

## Bucher Municipal 2008 highlights

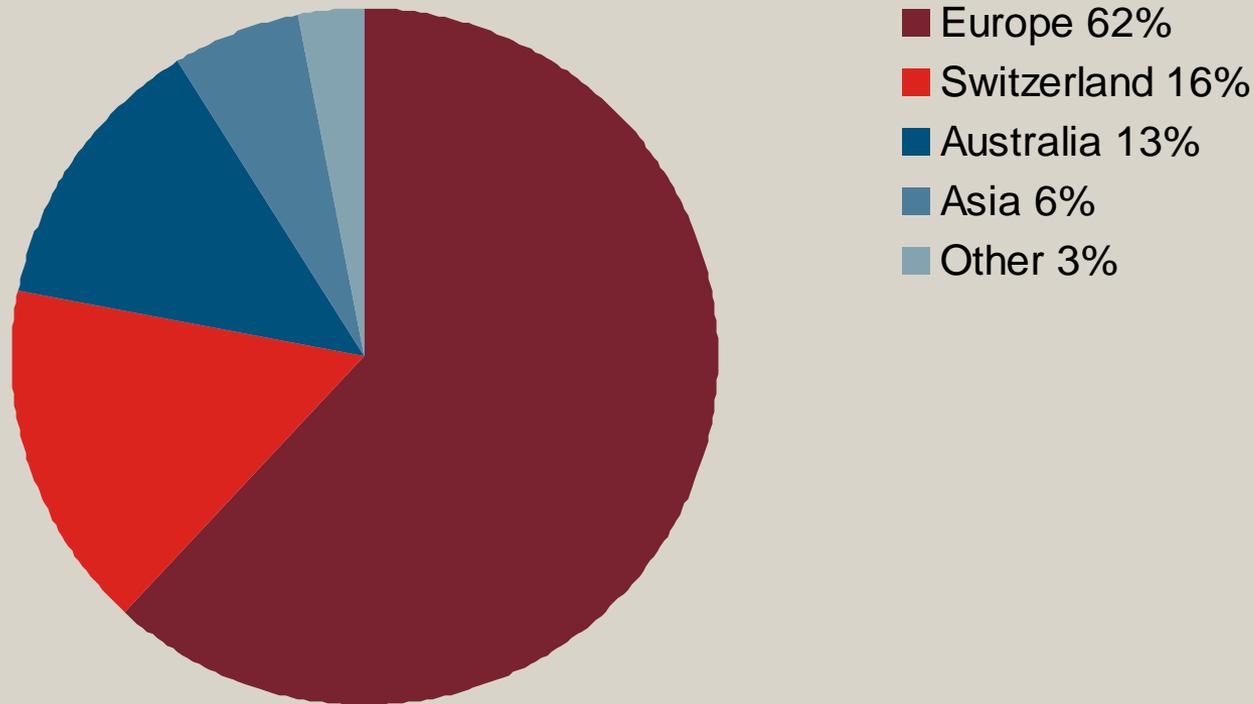
- Strong order book at the beginning of 2008 and good market position in Europe and Australia
- Large orders to supply 104 truck mounted sweepers to Bangkok
- Winter maintenance business fuelled by snowy winter
- Expansion of the Latvian assembly and component plant
- New generations of sweepers on track, bringing economies of scale in purchasing and production
- Development of a fuel-cell-driven compact sweeper
- CHF 5 million goodwill impairment charges for Gmeiner GmbH in Germany due to the bleak market outlook
- 7.4% EBIT margin before impairment charges

# Bucher Municipal

## Key figures

CHF million	2008	2007	% change
Order intake	528	603	-12.4
Net sales	579	557	4.1
Order book	115	178	-35.7
Operating profit (EBITDA) as % of net sales	51 8.8%	46 8.2%	11.4
Operating profit (EBIT) before impairment as % of net sales	43 7.4%	37 6.6%	15.7
Operating profit (EBIT) as % of net sales	38 6.6%	37 6.6%	3.0
Number of employees at 31 December	1 543	1 535	0.5
Average number of employees during year	1 569	1 508	4.0

# Bucher Municipal Net sales by region in 2008



# Bucher Municipal Outlook for 2009

- No recovery in demand in sight
- Local authorities with lower tax revenues and (still?) without programmes to boost economic activity
- Private sweeper fleet operators largely holding back due to strict lending practices
- Some major invitations to tender seem to be materialising, offering good opportunities for Bucher Municipal
- Harsh winter 2008/9 should have a positive impact on demand for spreaders and snow blowers
- Following the absolute record high in 2008, sales are expected to be considerably lower with reduced profitability

# Bucher Process Wine and fruit juice production equipment



Destemmers

Pneumatic tank presses

CF filtration systems

Reverse osmosis systems



Mills

Hydraulic presses

Ultrafiltration systems

Evaporators

## Bucher Process 2008 highlights

- Encouraging demand for winemaking equipment in France, Italy, South Africa and New Zealand
- Southern hemisphere suffering severely from the financial crisis
- Excellent handling of major orders to supply equipment for producing apple juice concentrate to the UK and China
- Innovative products for quality wines
  - Jumbo wine press with a capacity of 750 hectolitres
  - Award for optical grape sorting machine
- Orders from Sweden for sludge dewatering equipment
- Record operating profit of CHF 24 million and an EBIT margin of 12.4%

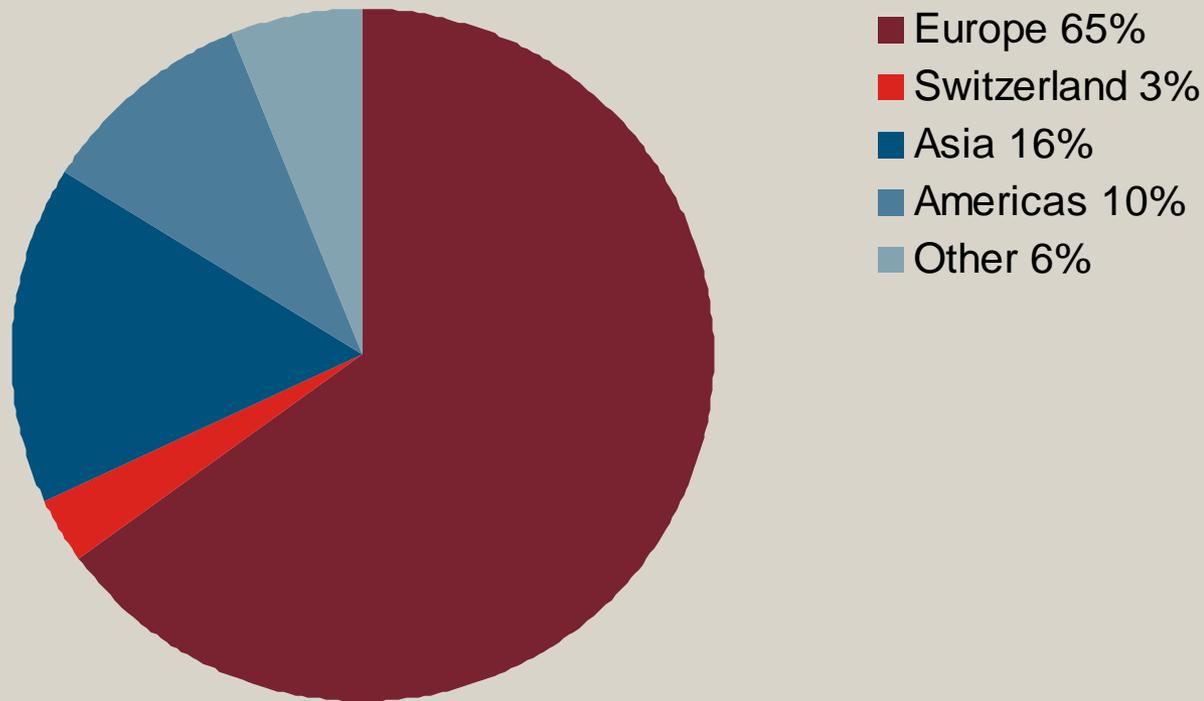
# Bucher Process

## Key figures

CHF million	2008	2007	% change
Order intake	168	202	-16.8
Net sales	195	174	12.3
Order book	40	69	-41.6
Operating profit (EBITDA) as % of net sales	26 13.4%	21 12.1%	24.3
Operating profit (EBIT) as % of net sales	24 12.4%	19 10.9%	26.8
Number of employees at 31 December	520	490	6.1
Average number of employees during year	533	514	3.7

# Bucher Process

## Net sales by region in 2008



## Bucher Process Outlook for 2009

- Projects delayed because of restrictive lending practices
- Subsidies announced in Europe for winemaking equipment should have a positive impact
- Prices falling this year following the peak prices for apple juice concentrate reached in 2008
- Major projects for apple juice concentrate worth CHF 40 million in 2008
  - Handled without building up fixed costs
  - No prospect of substitutes of a similar magnitude in 2009
- Substantially lower sales and operating profit expected

# Bucher Hydraulics

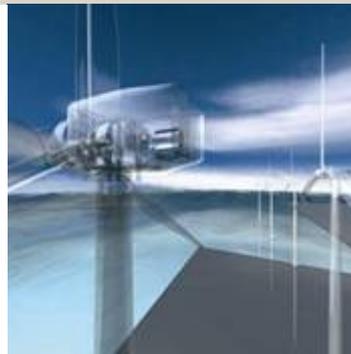
## Custom drive solutions



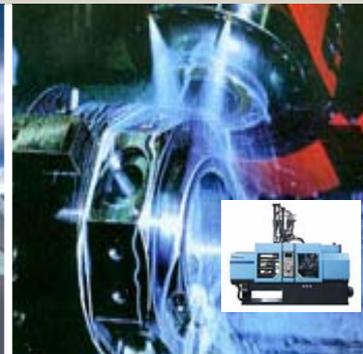
Agricultural machinery



Mining / tunnelling



Wind energy



Mechanical engineering



Municipal equipment



Construction equipment



Materials handling



Elevator hydraulics



Marine / offshore



Power engineering

# Bucher Hydraulics

## 2008 highlights

- Very strong demand in all important market segments, followed by a sharp decline in the fourth quarter
- Full capacity utilisation until October 2008
- Agricultural machinery segment defied the financial crisis last year
- Position expanded in the USA
  - Integration of Monarch Hydraulics Inc. from the beginning of the year
  - Purchase of Command Controls Corp. (US cartridge valves)
- Rapid response to the drop in order intake
  - Reduction of untaken holidays, flexitime and overtime balances, temporary jobs; workers put on short time; a few job cuts
  - Manufacturing brought back in-house
- Impairment charges of CHF 25 million in USA

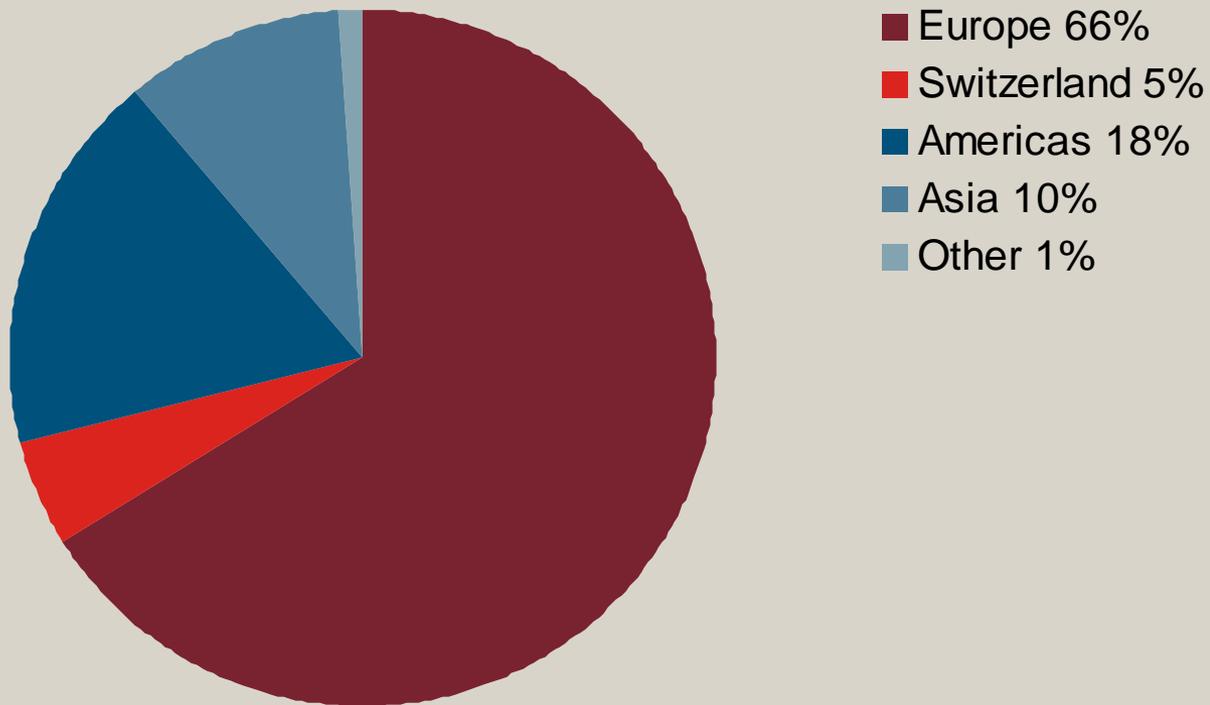
# Bucher Hydraulics

## Key figures

CHF million	2008	2007	% change
Order intake	473	414	14.2
Net sales	497	387	28.6
Order book	85	94	-8.9
Operating profit (EBITDA) as % of net sales	76 15.4%	71 18.3%	7.8
Operating profit (EBIT) before impairment as % of net sales	56 11.3%	59 15.1%	-3.6
Operating profit (EBIT) as % of net sales	31 6.3%	59 15.1%	-46.7
Number of employees at 31 December	1 664	1 303	27.7
Average number of employees during year	1 614	1 259	28.2

# Bucher Hydraulics

## Net sales by region in 2008



# Bucher Hydraulics Outlook for 2009

- As a component supplier, the division is directly dependent on how well its customers' business goes
- First-half order intake additionally declining due to customers running down inventories
- Very uncertain forecasts due to strong slumps in order intake
- Having remained stable in 2008, the market segments for agricultural machinery and power engineering are also affected this year
- A marked decrease in sales is expected for 2009
- Operating profit about level with last year due to the goodwill impairment charges of CHF 25 million recognised in 2008

# Emhart Glass

## Glass container manufacturing equipment



Gob forming



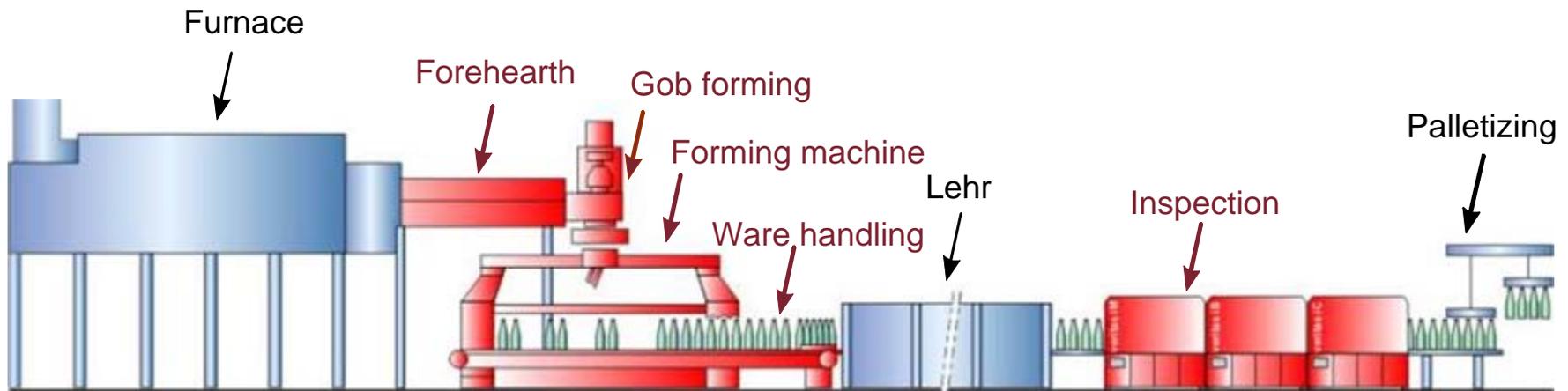
Glas forming machine



Ware handling



Inspection



Glass container manufacturing process

## Emhart Glass 2008 highlights

- Good prices and strong demand for glass containers
- Heavy capital spending on expanding and modernising glass container manufacturing facilities
- Smooth integration of ICS / Inex, the US inspection machine manufacturer acquired a year earlier
- Very high and constant capacity utilisation rate
- Development reinforced by R&D centre
  - Tempered glass machines on track; optimisation for industrial viability
  - New inspection machine replacing 3 previous ones
- Assembly efficiency in Sweden improved by 44%
- Operating profit of CHF 35 million, up 5%
- Malaysian assembly plant commissioned in early 2009

# Assembly plant in Malaysia



# Assembly shop in Malaysia



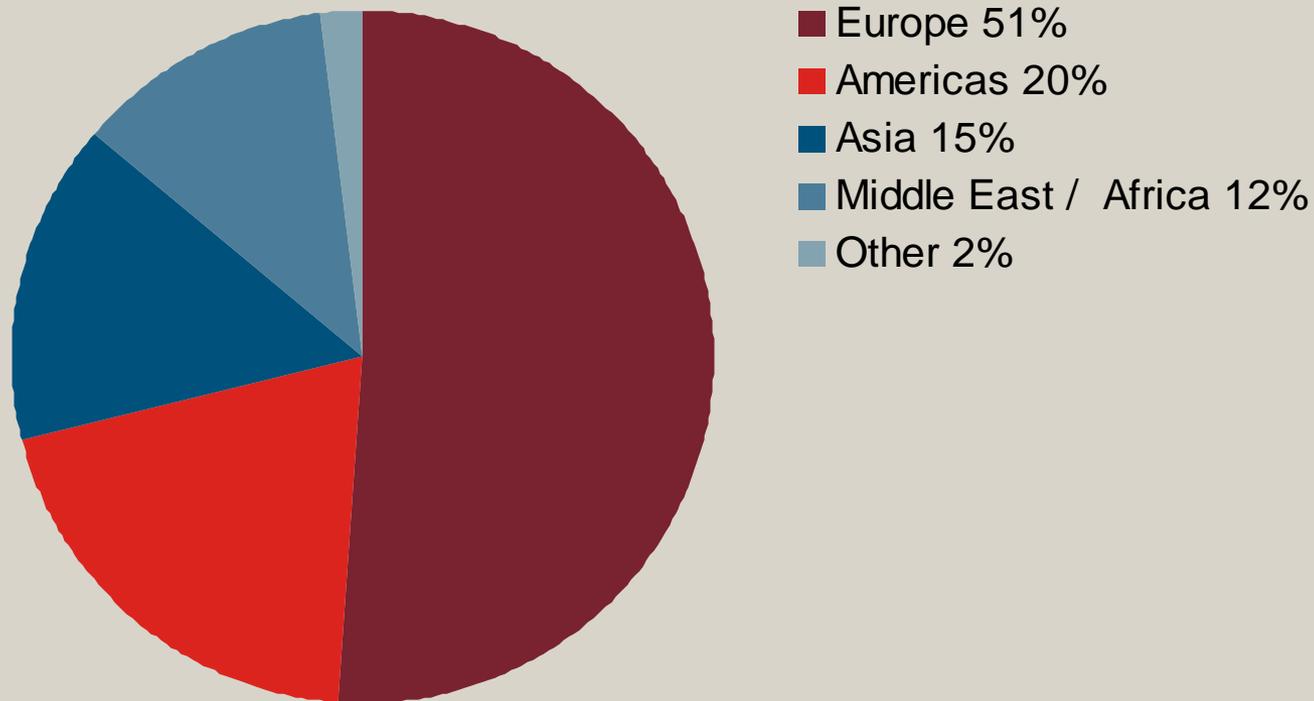
# Emhart Glass

## Key figures

CHF million	<b>2008</b>	<b>2007</b>	% change
Order intake	399	441	-9.4
Net sales	418	420	-0.3
Order book	171	198	-13.4
Operating profit (EBITDA) as % of net sales	44 10.6%	42 9.9%	6.5
Operating profit (EBIT) as % of net sales	35 8.4%	33 7.9%	5.4
Number of employees at 31 December	1 064	1 063	0.1
Average number of employees during year	1 058	1 009	4.9

# Emhart Glass

## Net sales by region in 2008



# Emhart Glass Outlook for 2009

- Lower capital spending in the glass container industry
  - Glass container prices now falling after the price rise in 2008
  - High capacity expansion in previous years
  - Considerable impediments to financing capital-intensive projects
  - Projects being delayed, scaled back and cancelled
- Eastern Europe, Russia and South America harder hit than Western Europe, the Middle East and Asia
- Sales performance supported by the high proportion of spare parts business
- Lower sales and slightly reduced profitability for 2009

## Measures to combat the downturn

- Immediate measures in place
  - “Cash is King”
  - Reducing temporary jobs, overtime and flexitime balances, untaken holidays, night and Sunday shifts, few job cuts so far
  - Insourcing manufacturing and subassembly where expedient
  - Rolling contingency plans detailing specific measures for each production facility and function; milestones, triggering criteria
  - Quarterly release of capital expenditure, restraint at group level
- Preparing for the next upswing
  - Not veering from the long-term strategy
  - Capitalising on competitors’ weakness: consolidating market positions
  - Continuing capital spending on rationalisation programmes
  - Not cutting back development projects

## Group and division earnings targets

EBIT margin	Targets	2008	2007	2006	2005	2004
Kuhn Group	11	12.4	11.6	**9.3	8.4	8.3
Bucher Municipal	8	*7.4	6.6	5.4	4.2	2.2
Bucher Process	9	12.4	10.9	7.6	5.9	4.1
Bucher Hydraulics	11	*11.3	15.1	12.6	9.9	8.6
Emhart Glass	9	8.4	7.9	7.0	5.2	6.9
<b>Bucher Industries</b>	<b>9</b>	<b>*9.9</b>	<b>9.3</b>	<b>5.9</b>	<b>6.0</b>	<b>5.6</b>

\* before impairment charges \*\* before restructuring

### Group and divisions

RONOA after tax	>16	18.5	23.8	14.3	14.8	12.1
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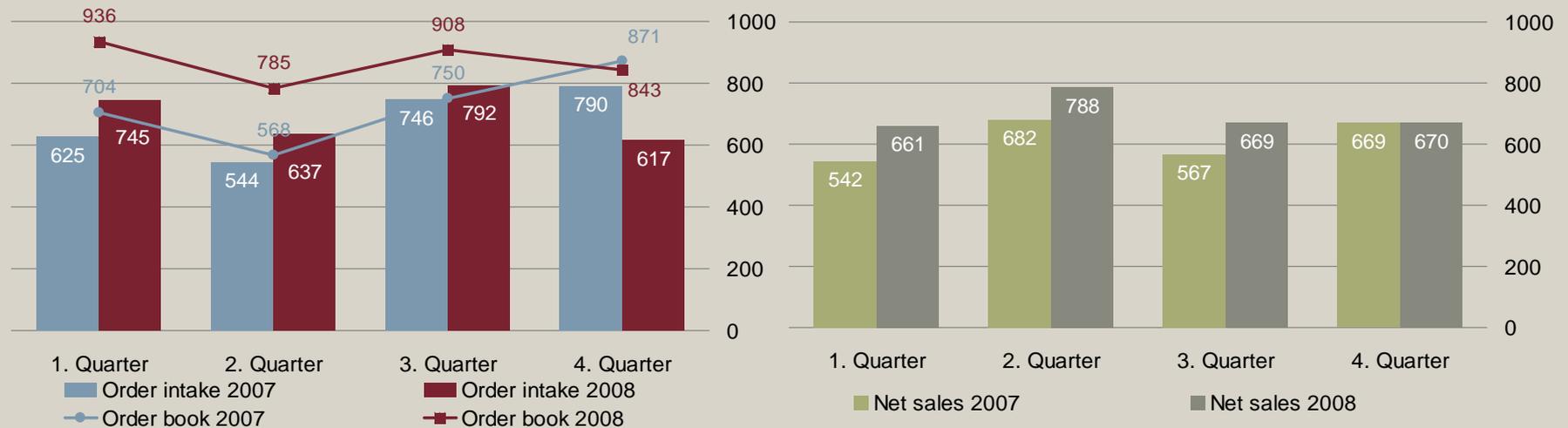
## Group outlook for 2009

- Great uncertainty surrounding forecasts
- Eastern Europe, Russia and Brazil hit hard, with the main sales markets of Western Europe and the USA also affected
- Customers' projects facing financing problems, delays, rescaling and cancellations
- Order intake additionally slowed down by importers, dealers and OEMs running down their inventories
- Performance adversely impacted by currency volatility, particularly affecting countries with weak currencies
- Sales supported by the order book and acquisitions
- Sales, operating profit and net profit expected to be down on last year; goal: contain the decline in the Group's EBIT margin

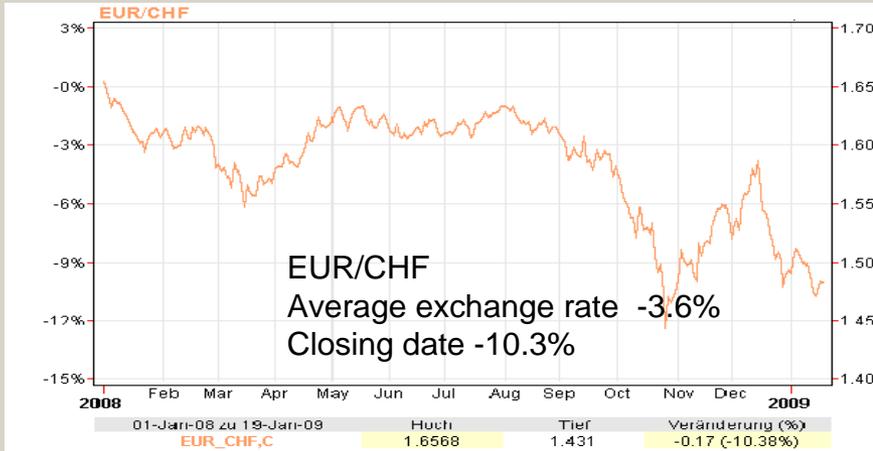
**Financial Report 2008**  
**Roger Baillod, CFO**

# Order intake, net sales and order book 2008

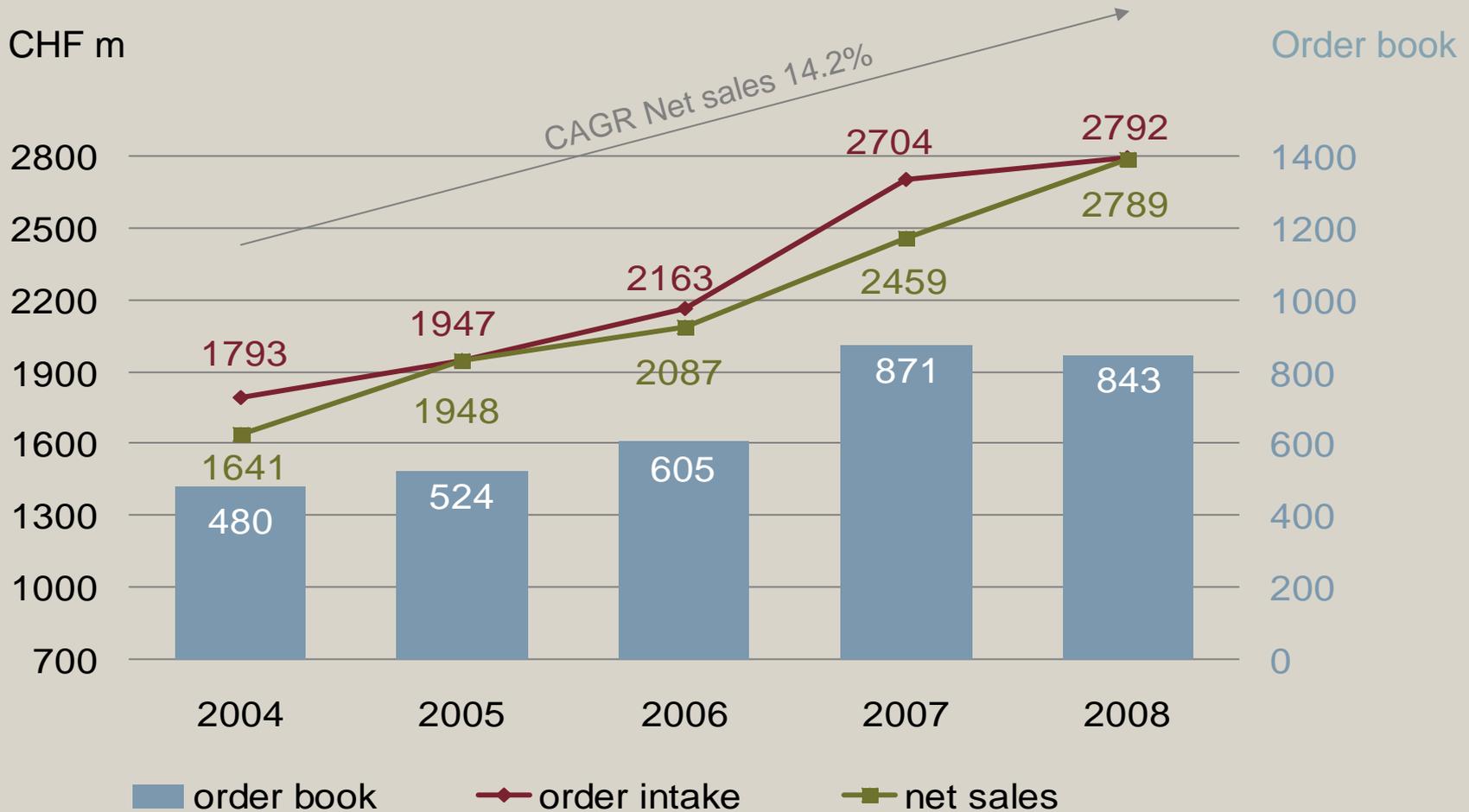
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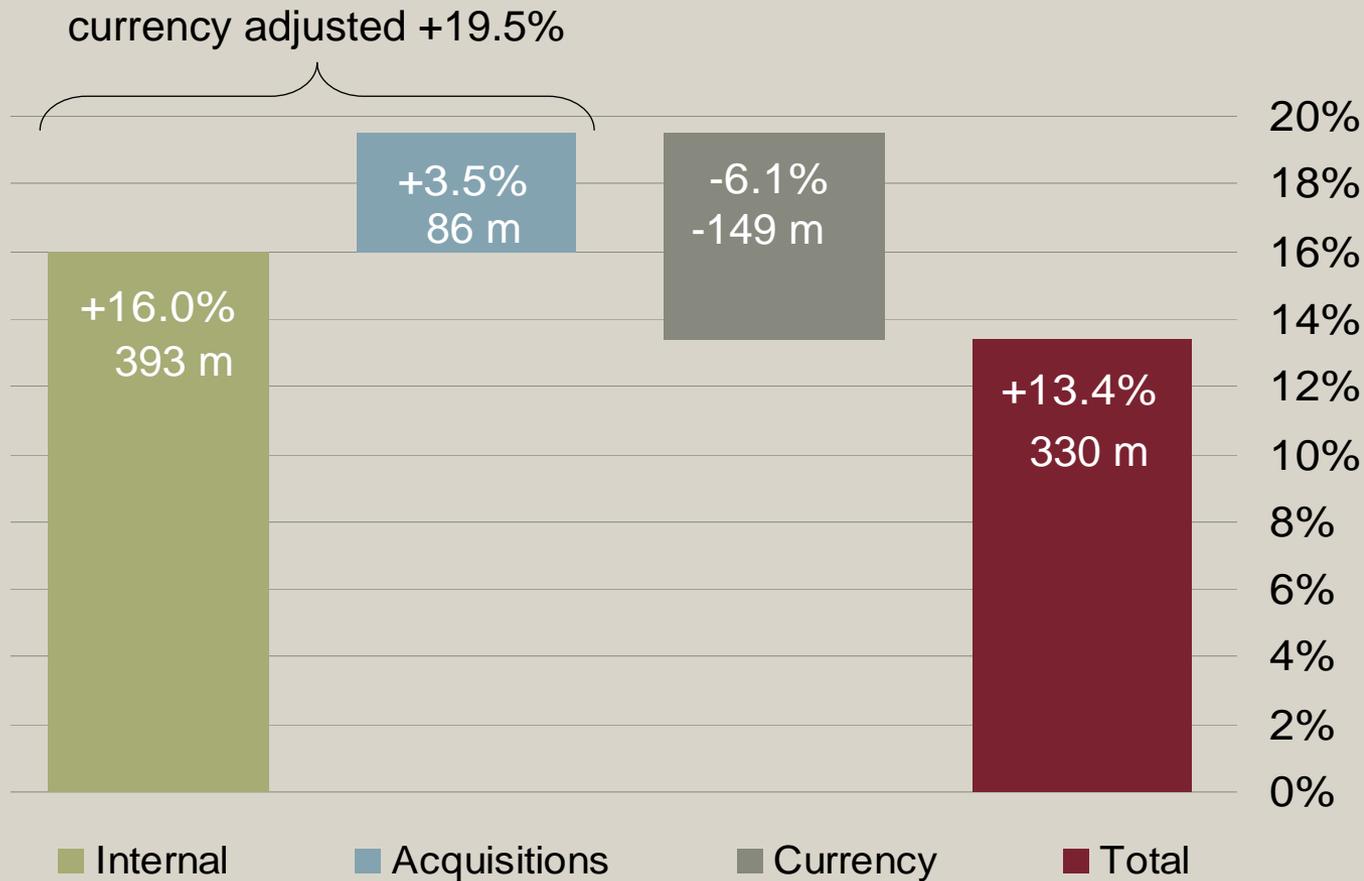
# Currency turmoil 2008



# Order intake, net sales and order book



# Impact on net sales 2008



## Consolidated income statement (1)

CHF million	2008		2007	
<b>Net sales</b>	<b>2 789</b>	<b>97.3%</b>	<b>2 459</b>	<b>97.2%</b>
Changes in inventories of finished goods and work in progress	78	2.7%	71	2.8%
<b>Total operating revenue</b>	<b>2 867</b>	<b>100.0%</b>	<b>2 530</b>	<b>100.0%</b>
Material expenses	-1 574	-54.9%	-1 359	-53.7%
Personnel expenses	-624	-21.7%	-578	-22.8%
Other operating income	30	1.0%	30	1.1%
Other operating expenses	-357	-12.4%	-337	-13.3%
<b>EBITDA</b>	<b>342</b>	<b>12.2%</b>	<b>286</b>	<b>11.6%</b>

## Consolidated income statement (2)

CHF million	2008	2007	% change
<b>Operating profit before depreciation and amortisation (EBITDA)</b>	<b>342</b>	<b>286</b>	<b>+19.5</b>
Depreciation	-55	-46	+19.0
Amortisation	-11	-11	-
<b>Operating profit (EBIT) before impairment charges</b>	<b>276</b>	<b>229</b>	<b>+20.4</b>
Impairment charges	-30	-	n.a.
<b>Operating profit (EBIT)</b>	<b>246</b>	<b>229</b>	<b>+7.3</b>
Net financial result	-29	11	n.a.
Income tax expense	-72	-69	+3.9
<b>Profit for the year</b>	<b>145</b>	<b>171</b>	<b>-15.0</b>
Earnings per share in CHF	14.39	17.07	-15.7

## Net financial result

CHF million	2008	2007	+/-
Net interest expense	-9	-8	-1
Net gain on securities	11	20	-9
Foreign exchange gains and losses	-23	-2	-21
Impairment charges on associates	-9	-	-9
Other financial items	1	1	-
<b>Net financial result</b>	<b>-29</b>	<b>11</b>	<b>-40</b>

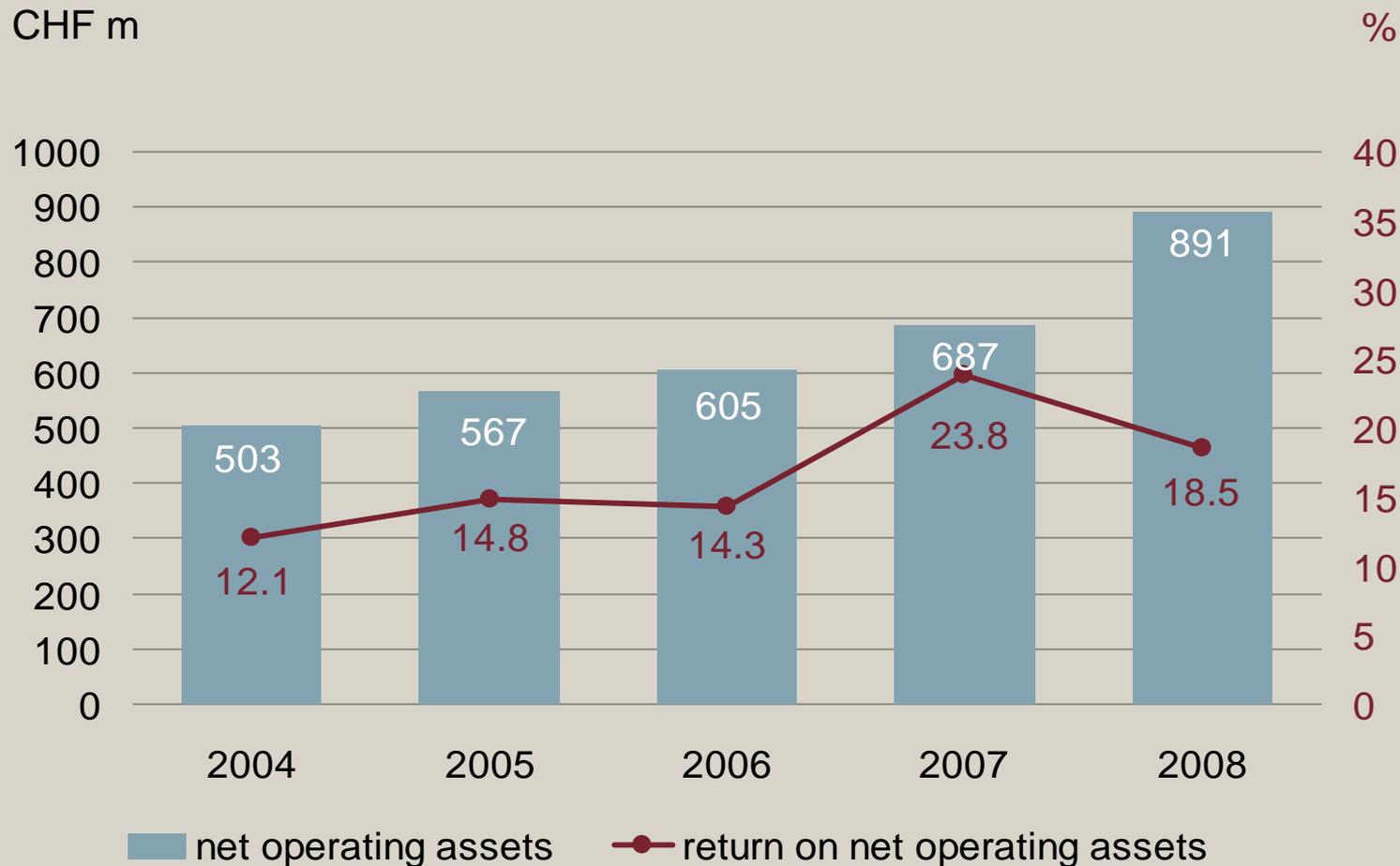
## Income tax expense

CHF million	2008	2007	+/-
Profit before tax	217	240	-23
<b>Income tax expense</b>	<b>72</b>	<b>69</b>	<b>+3</b>
Effective tax rate	33.0%	28.8%	
Applicable tax rate	32.4%	33.3%	

# Net operating assets (NOA) and NOA in % of net sales (closing date)



# Net operating assets (NOA) and return on net operating assets after tax (RONOA)



## Cash flow statement

CHF million	2008	2007	+/-
Profit for the year	145	171	-26
Depreciation and amortisation	66	57	+9
Change in provisions	-7	-29	+22
Change in working capital	-110	-53	-57
Other monetary positions	-30	20	-50
Impairment charges	39	-	+39
<b>Net cash flow from operating activities</b>	<b>103</b>	<b>166</b>	<b>-63</b>

## Operating free cash flow / Free cash flow

CHF million	2008	2007	+/-
Net cash flow from operating activities	103	166	-63
Investment in property, plant and equipment (net)	-117	-120	+3
Investment in intangible assets (net)	-1	-3	+2
<b>Operating free cash flow</b>	<b>-15</b>	<b>43</b>	<b>-58</b>
Change in financial assets and securities	-7	10	-17
Dividend paid	-50	-25	-25
Acquisition / Divestment	-151	-27	-124
<b>Free cash flow</b>	<b>-223</b>	<b>1</b>	<b>-224</b>

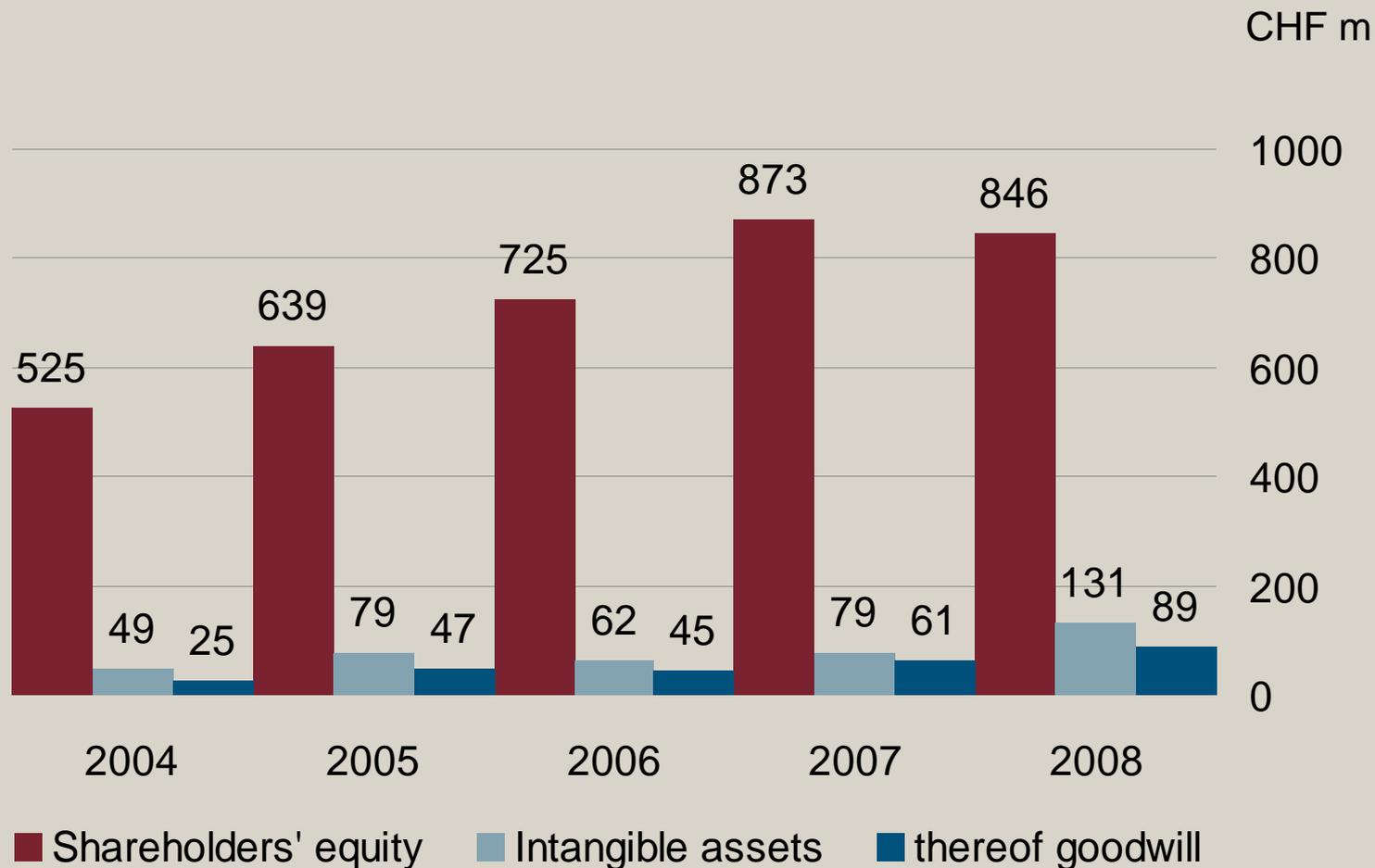
# Net liquidity and free cash flow



## Financial liabilities and net liquidity

CHF million	31.12. 2008		30.06. 2008		31.12. 2007	
Current	111	32.2%	217	56.5%	178	54.3%
Non-current	234	67.8%	167	43.5%	150	45.7%
<b>Total financial liabilities</b>	<b>345</b>	100%	<b>384</b>	100%	<b>328</b>	100%
Cash, cash equivalents and securities	234		239		492	
<b>Net liquidity</b>	<b>-111</b>		<b>-145</b>		<b>164</b>	
<b>Committed credit lines and bank loans</b>	<b>&gt;600</b>					

## Shareholders' equity / Intangible assets



# Shareholders' equity and return on equity (ROE)



## Selected financial key figures

		<b>2008</b>	<b>2007</b>
Equity ratio		40.9%	41.0%
Net tangible worth (equity – goodwill)	CHF m	757	812
Fixed-assets-to-net-worth ratio		181%	210%
Net liquidity	CHF m	-111	164
Repayment term of net interest bearing liabilities in years (net debt / EBITDA)		0.3	n.a.
Interest coverage ratio		40x	34x

## Financial calendar for 2009/2010

Annual general meeting	16 April 2009
Release of first quarter 2009 group sales	28 April 2009
Interim report 2009	11 August 2009
Release of third quarter 2009 group sales	29 October 2009
Release of 2009 group sales	1 February 2010
Annual press & analyst conferences	16 March 2010