

# Group presentation

## Technology group founded in 1807

- Mechanical and vehicle engineering group with long-term industrial focus
- Strategy of technology and market leadership
  - Product innovation
  - Sales network and high service levels
  - Good price/performance ratios for customers
  - Taking advantage of industry consolidation
- Markets offering considerable growth and earnings potential
- Decentralised management and profit responsibility
- Group-wide strategic and financial management

# Our businesses



## **Kuhn Group**

World's leading manufacturer of specialised agricultural machinery for tillage, seeding, fertilisation, spraying, landscape maintenance, hay and forage harvesting, livestock bedding and feeding.

Sales CHF 1000 m  
Employees 4200



## **Bucher Municipal**

European and Australian market leader in municipal vehicles, offering a whole range of compact and truck mounted sweepers, winter maintenance equipment and refuse collection vehicles.

Sales CHF 380 m  
Employees 1500



## **Bucher Hydraulics**

International leader in the design and manufacture of custom mobile and industrial hydraulic system solutions, offering an array of products encompassing pumps, motors, valves, power units, elevator drives and control systems.

Sales CHF 400 m  
Employees 1700



## **Emhart Glass**

World market leader in glass container manufacturing and inspection machinery, offering a portfolio ranging from glass forming and inspection machinery to complete production lines and components for the glass container industry.

Sales CHF 350m  
Employees 2100



## **Bucher Specials**

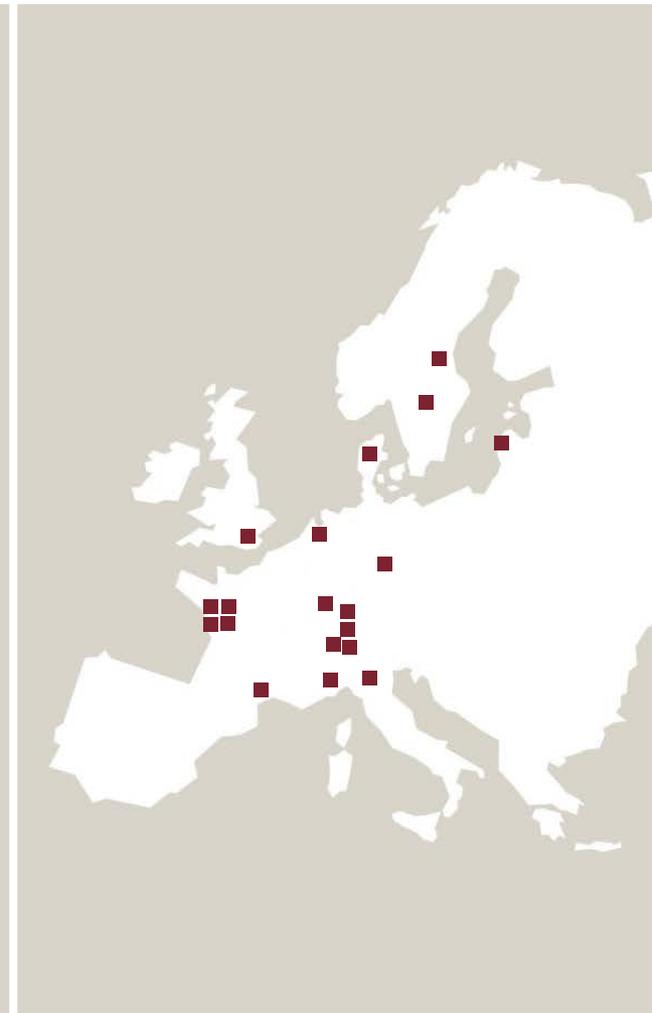
Independent businesses: machinery and equipment for winemaking, systems and machinery for processing fruit juice, instant products and dewatering sewage sludge as well as the Swiss distributorship for tractors and agricultural machinery.

Sales CHF 200 m  
Employees 500

## No. 1 market positions

Kuhn Group	worldwide in hay and forage harvesting machinery and feed mixers
Bucher Municipal	in Europe in street sweepers
Bucher Hydraulics	in Europe in specialised segments of mobile hydraulics
Emhart Glass	worldwide in glass container manufacturing equipment
Bucher Specials	worldwide in fruit juice and wine production equipment

## Major manufacturing sites worldwide



## Group strategy

- Increase in company value  $RONOA \gg WACC$
- Diversified group focused on mechanical and vehicle engineering
- Strengthening of existing operating segments
  - Continuous product innovation
  - Operational efficiency with flexible structures
  - Internal growth and targeted acquisitions
- Clear, central functions
  - Strategy and operation reviews
  - Treasury, Controlling, Tax, Legal, M&A, Investments, Communication
  - Management and remuneration systems
- Solid balance sheet for long-term industrial independence

## Medium-term earnings targets

EBIT margin	Goals	2011	2010	2009	2008	2007
Kuhn Group	11	11.3	9.2	7.5	12.4	11.6
Bucher Municipal	8	7.0	7.3	3.9	7.6	6.9
Bucher Hydraulics	11	8.7	9.9	4.3	11.3	15.1
Emhart Glass	9	4.5	1.2	4.0	8.4	7.9
Bucher Specials	9	6.1	4.6	5.4	10.7	9.2
<b>Bucher Industries</b>	<b>9</b>	8.1	7.4	5.2	9.9	9.3

### Group, divisions and independent businesses

RONOA after tax	>16	17.0	12.4	11.4	20.7	23.8
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All figures excluding impairments

## Group at a glance 2011

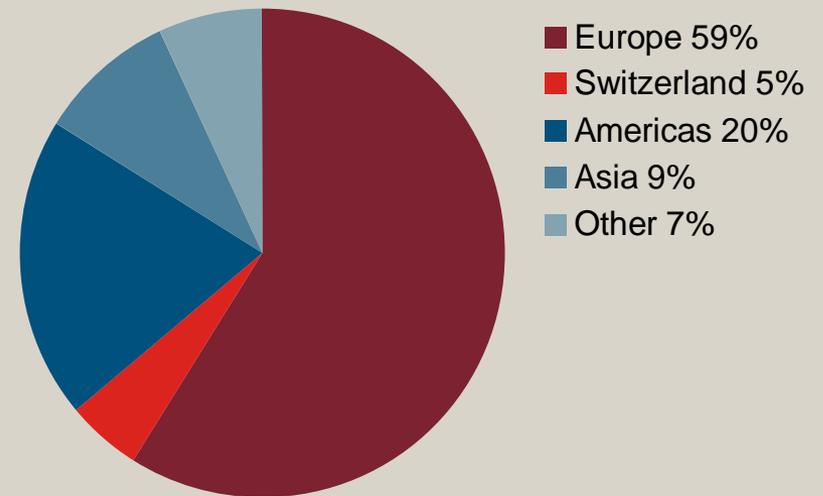
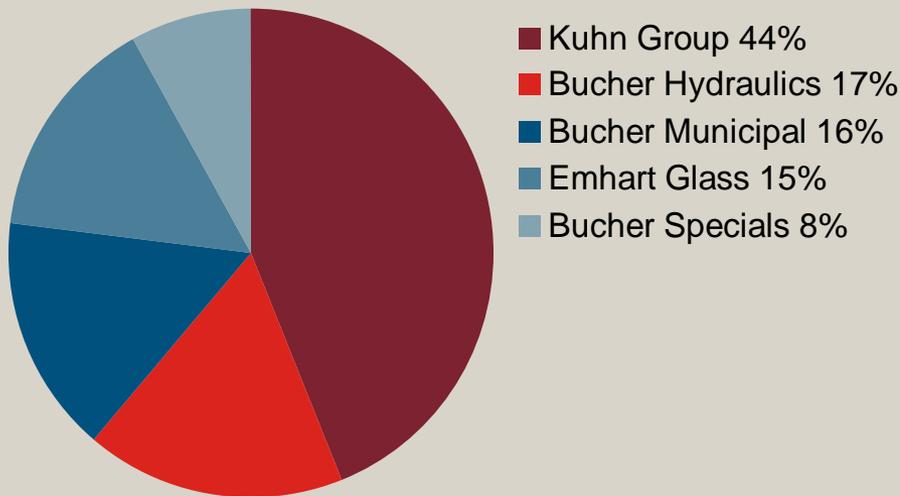
- Positive business environment in most of the main markets
  - Very favourable conditions in agricultural machinery and glass container industry
  - Hydraulic components very strong in first half, then flattening out
  - Municipal vehicles surprisingly stable, added boost from major Moscow order
  - Winemaking equipment the only disappointment
- Strong operating performance
  - High organic sales growth: 22% in local currencies
  - Marked strengthening of Swiss franc reduces sales in CHF by 12%
  - High level of capacity utilisation
  - Successful integration of previous acquisitions
  - Strong rise in profits and profitability

## Group at a glance 2011 (continued)

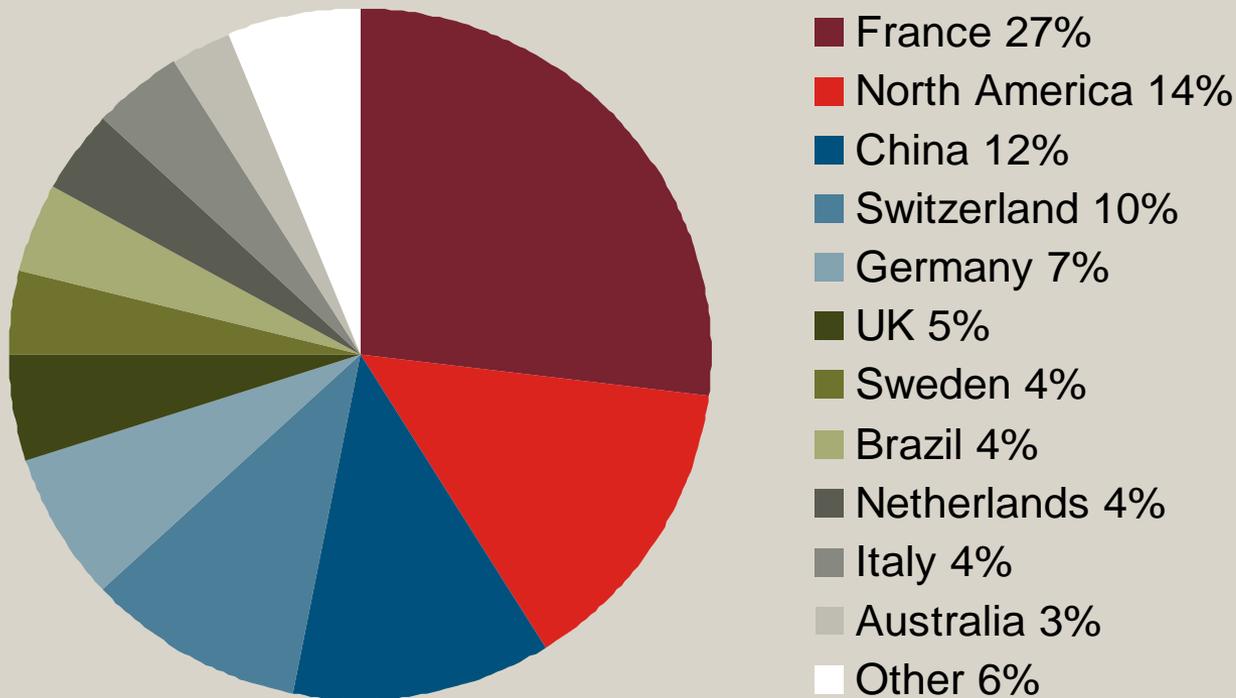
- Continued investment in the future
  - Important strategic strengthening of Kuhn Group and Emhart Glass
  - Modernisation, automation and expansion of production sites
  - Continuity in research and development
- Solid financial situation, despite CHF 178 million investment in future and share buy-back amounting to CHF 44 million
  - High degree of independence thanks to CHF 467 million in cash and cash equivalents
  - Low net debt of CHF 72 million
  - Share buy-back of 2.99% of equity concluded in February 2012

# Net sales by division and region in 2011

CHF 2 336 million



## Number of employees by region in 2011



## Key figures

CHF million			% change		
	2011	2010	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	2 588	2 217	16.7	29.3	24.7
Net sales	2 336	2 034	14.9	27.2	22.0
Order book	923	663	39.2	55.0	41.6
Operating profit (EBITDA) as % of net sales	260 11.1%	224 11.0%	16.1		
Operating profit (EBIT) as % of net sales	190 8.1%	151 7.4%	25.6		
Profit for the year as % of net sales	127 5.5%	98 4.8%	30.4		

1) Adjusted for currency effects

2) Adjusted for currency and acquisition effects

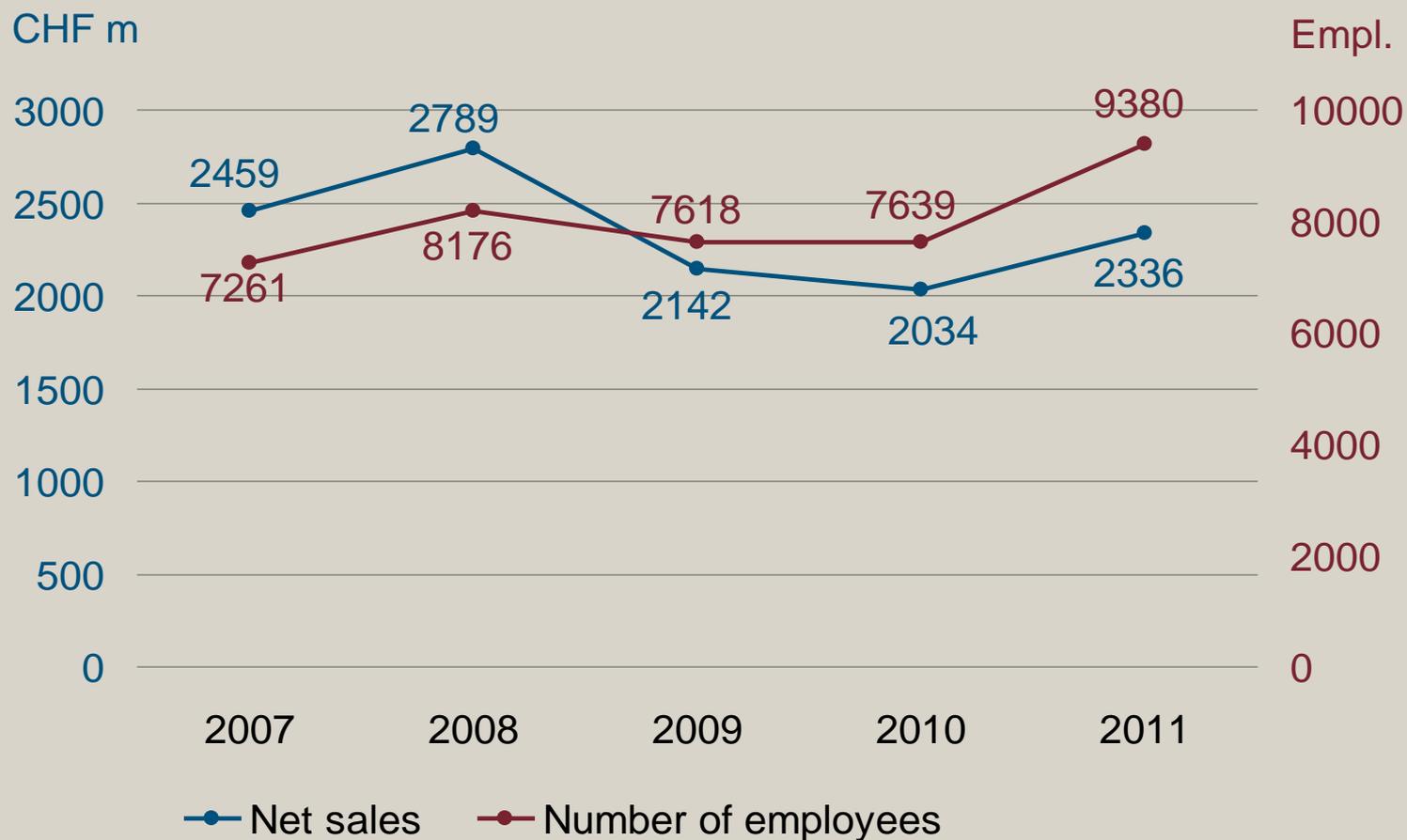
## Investing in the future

CHF million	2011	2010	% change
Development costs	74	73	1.6
Capital expenditure	118	66	79.8
Acquisitions	60	1	n.a.

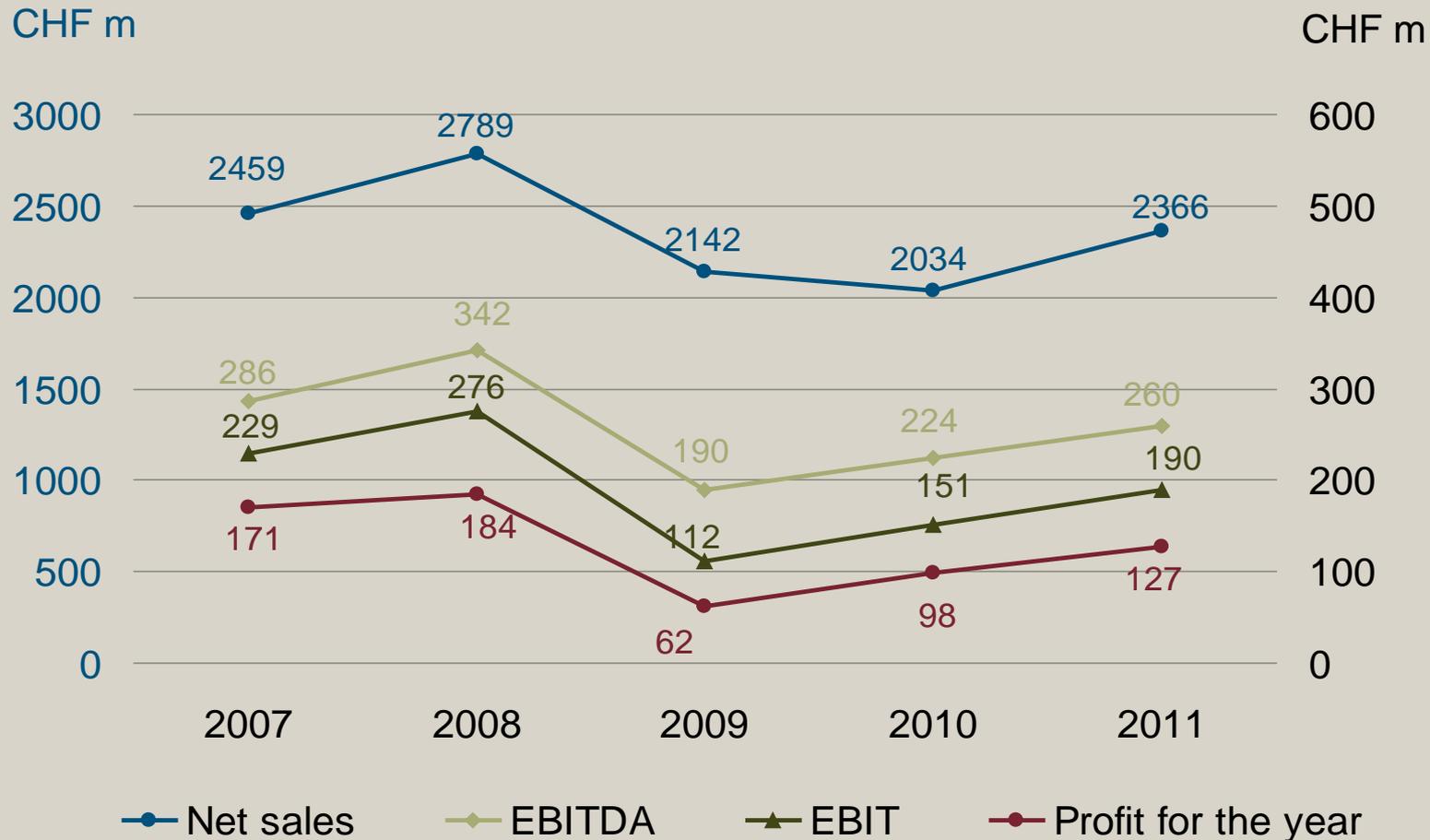
## Results by operating segment

CHF million	2011		2010	
	EBIT	EBIT margin	EBIT	EBIT margin
Kuhn Group*	116	11.3%	78	9.2%
Bucher Municipal	27	7.0%	27	7.3%
Bucher Hydraulics*	35	8.7%	37	9.9%
Emhart Glass	15	4.5%	3	1.2%
Bucher Specials	12	6.1%	9	4.6%
Other/consolidation	-15		-3	
<b>Bucher Industries*</b>	<b>190</b>	<b>8.1%</b>	<b>151</b>	<b>7.4%</b>

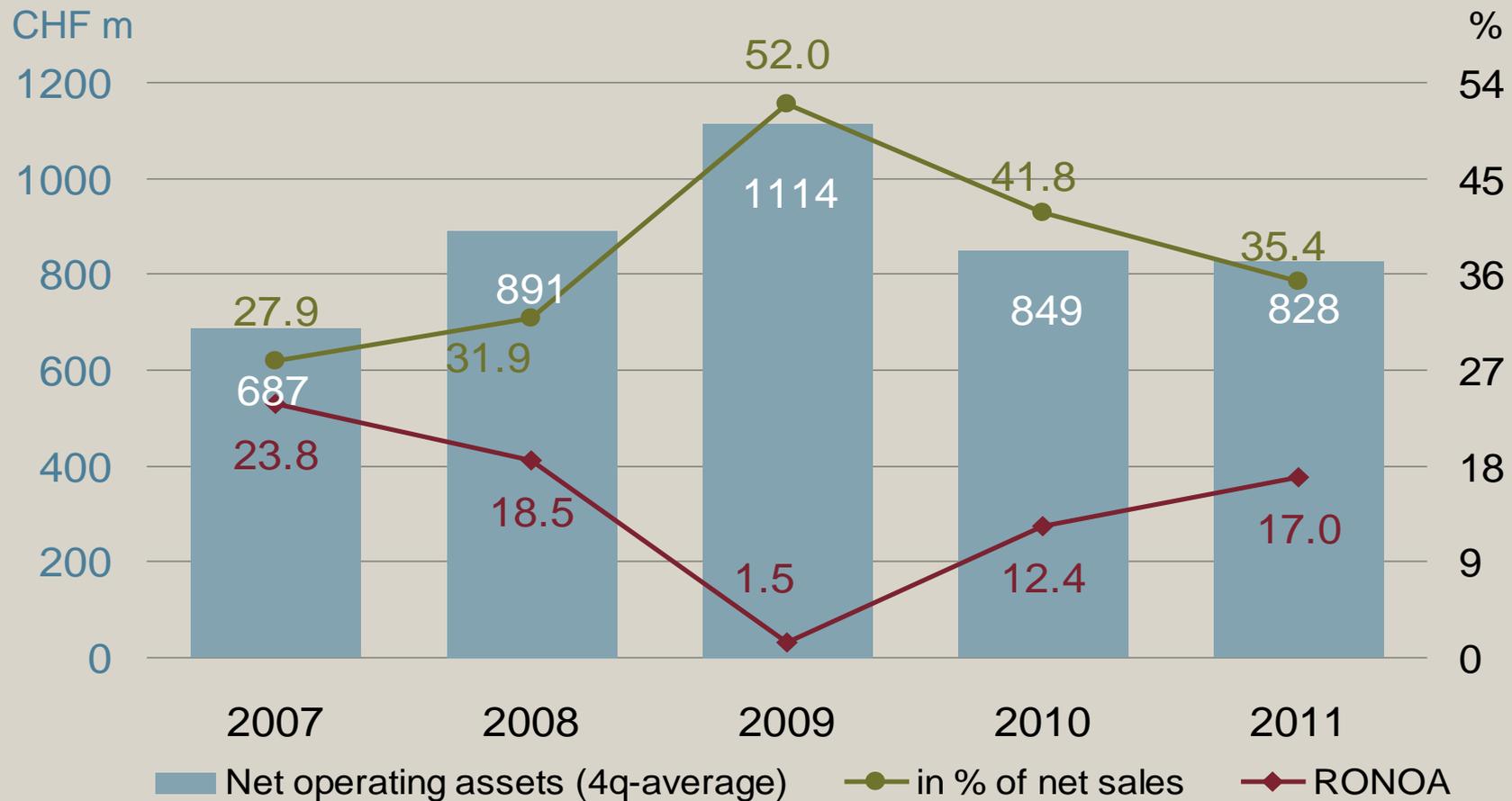
# Net sales and number of employees



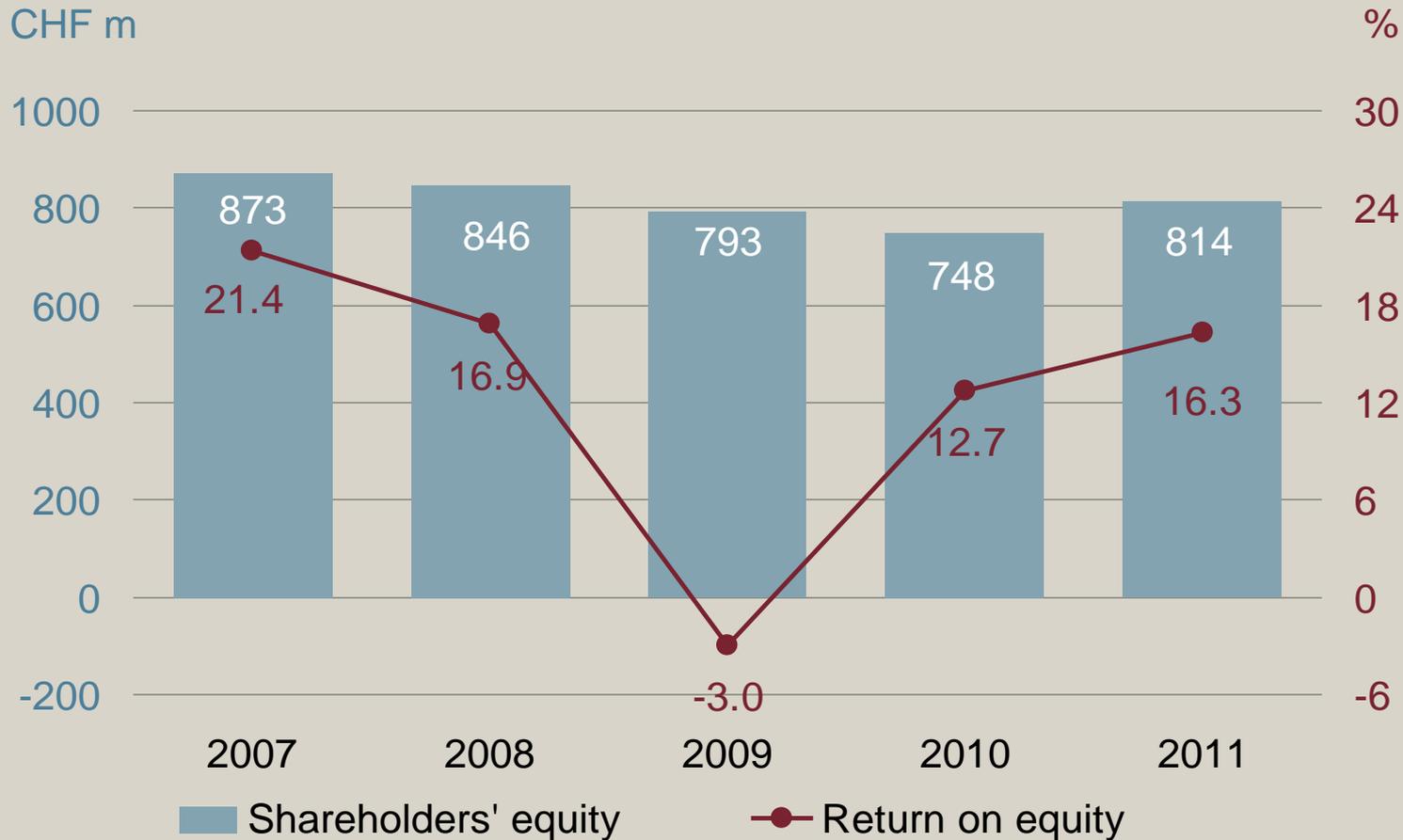
# Net sales and results before impairment



## Net operating assets and RONOA after tax

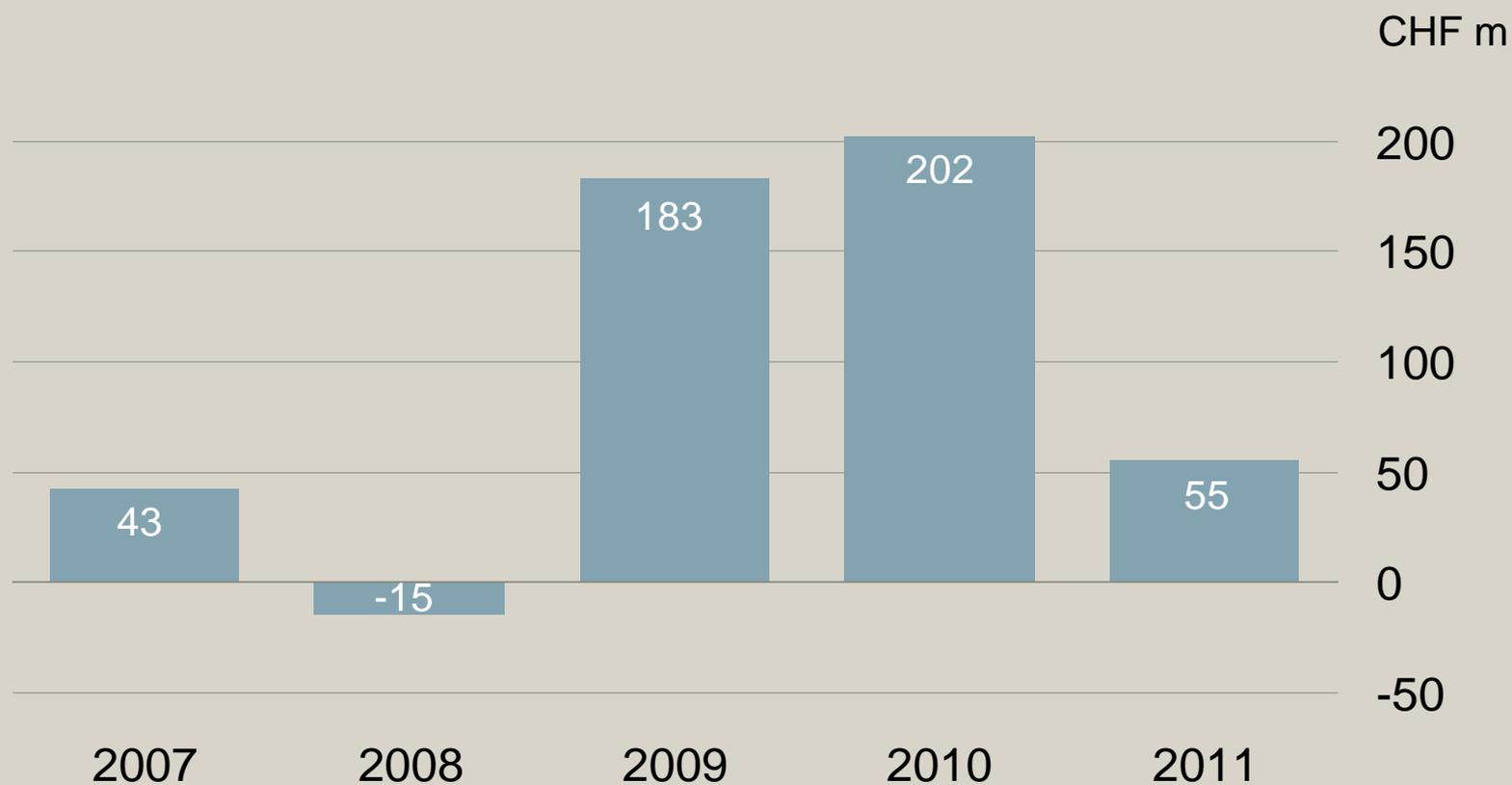


# Shareholders' equity and return on equity



Impairment charges: 2008 CHF 39 million, 2009 CHF 86 million

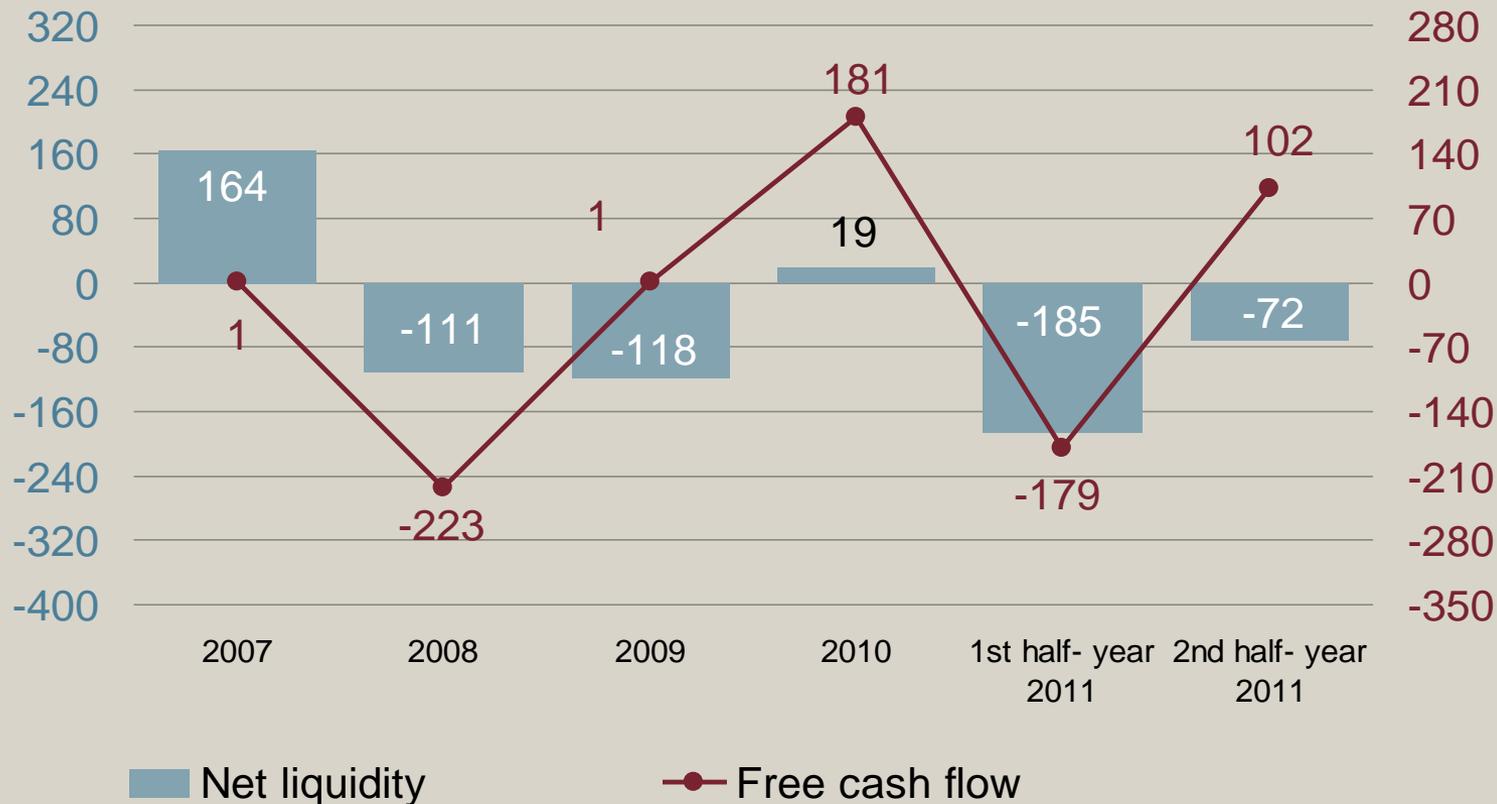
## Operating free cash flow



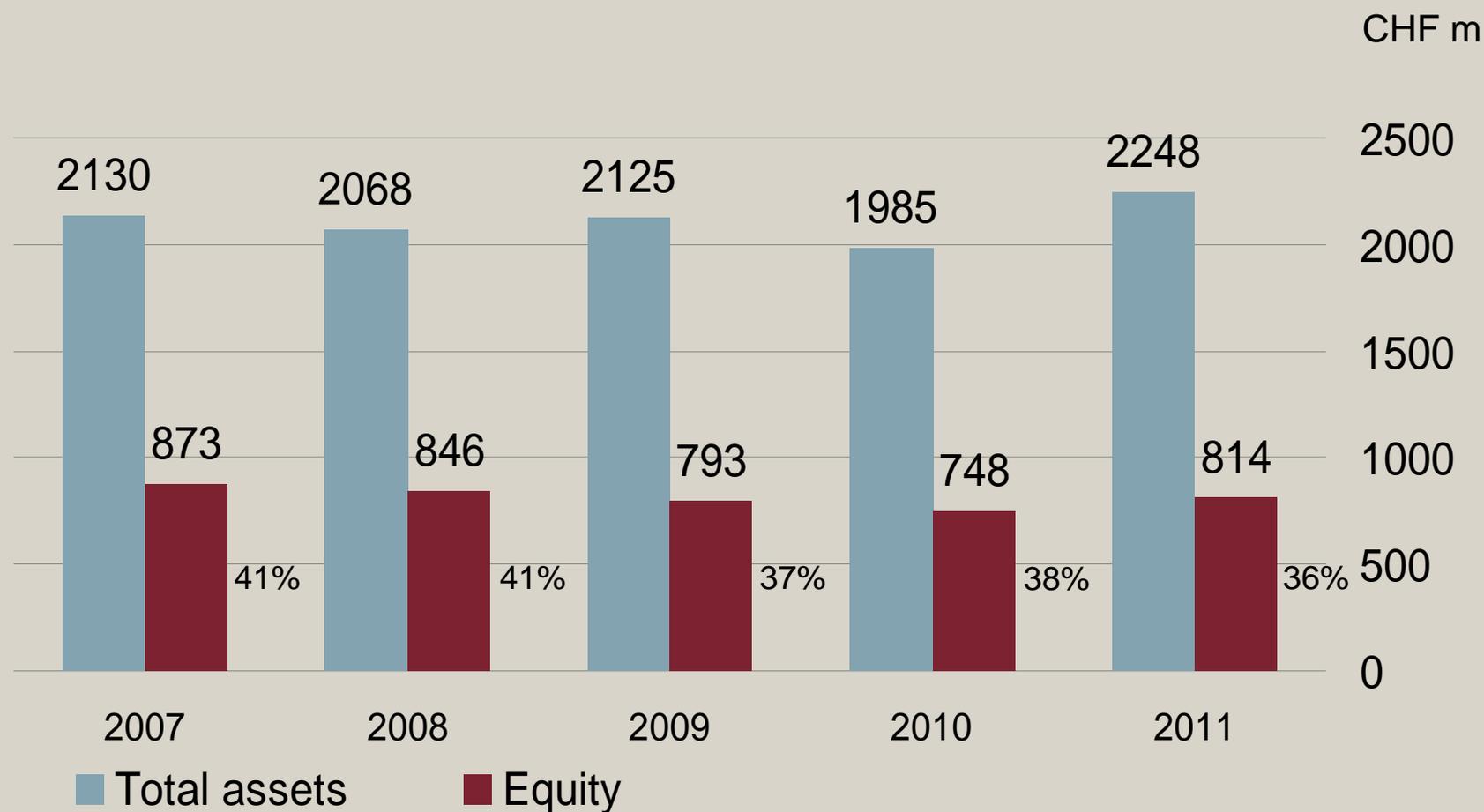
# Net liquidity and free cash flow

Net liquidity  
CHF m

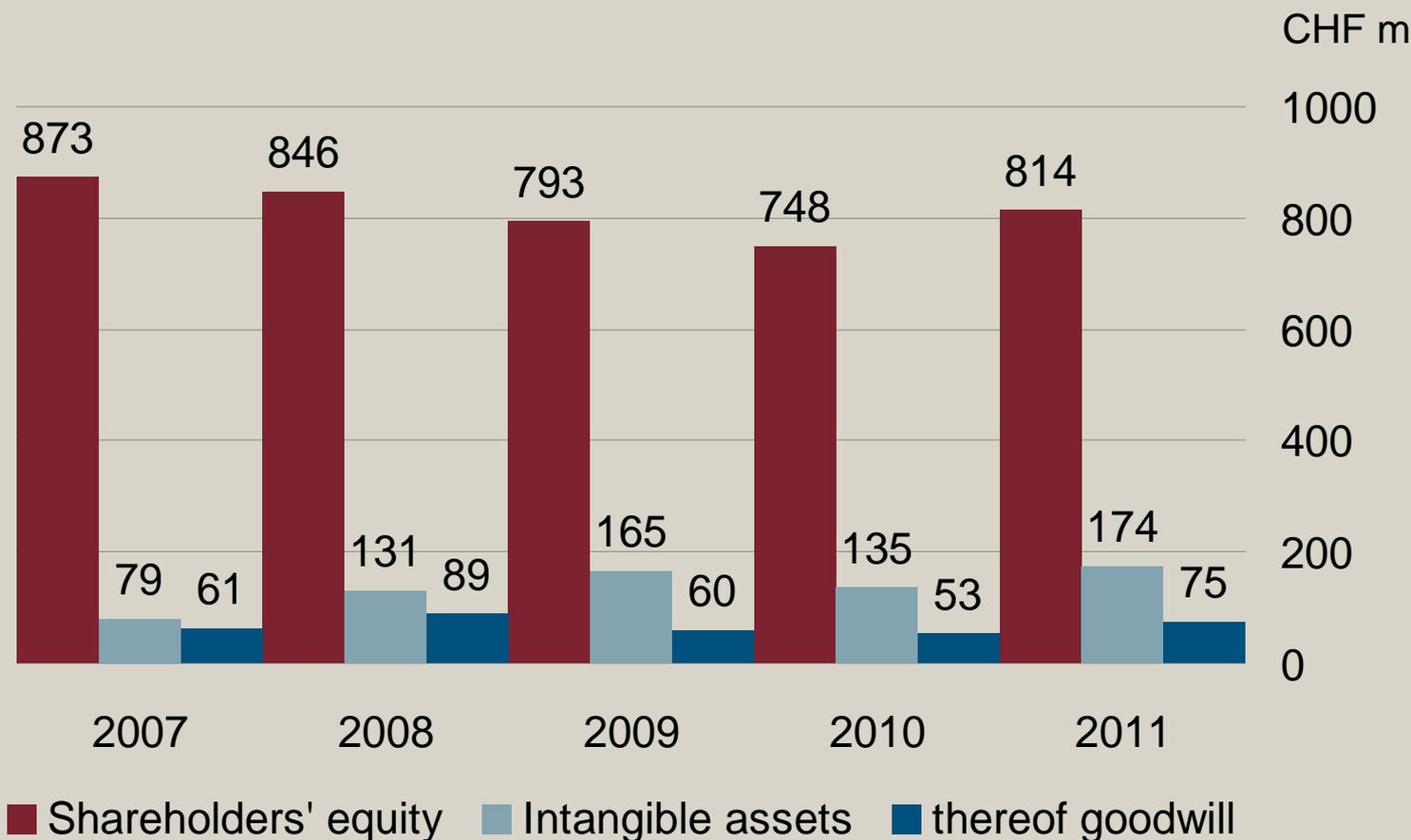
Free cash flow  
CHF m



# Total assets and equity



## Shareholders' equity / Intangible assets



## Group outlook for 2012

- Continued downturn in the world economy with no prospect of a rapid recovery
- Trends in our markets
  - Agricultural machinery: positive business development
  - Municipal vehicles: big Moscow order brings growth; demand otherwise stable at a low level
  - Hydraulic components: weakening demand
  - Machinery for glass container production: distinct upturn expected in second semester
  - Recovery in fruit juice and instant products, stable situation in winemaking equipment and distributorship for agricultural machinery
- Further improvement expected in sales, operating profit and profit for the year

# Kuhn Group

## Specialised agricultural machinery

**BUCHER**

1807  
2007  
YEARS



Ploughing



Tillage



Seeding



Fertilisation



Manure spreaders



Spraying



Hay & forage  
harvesting



Feed storage



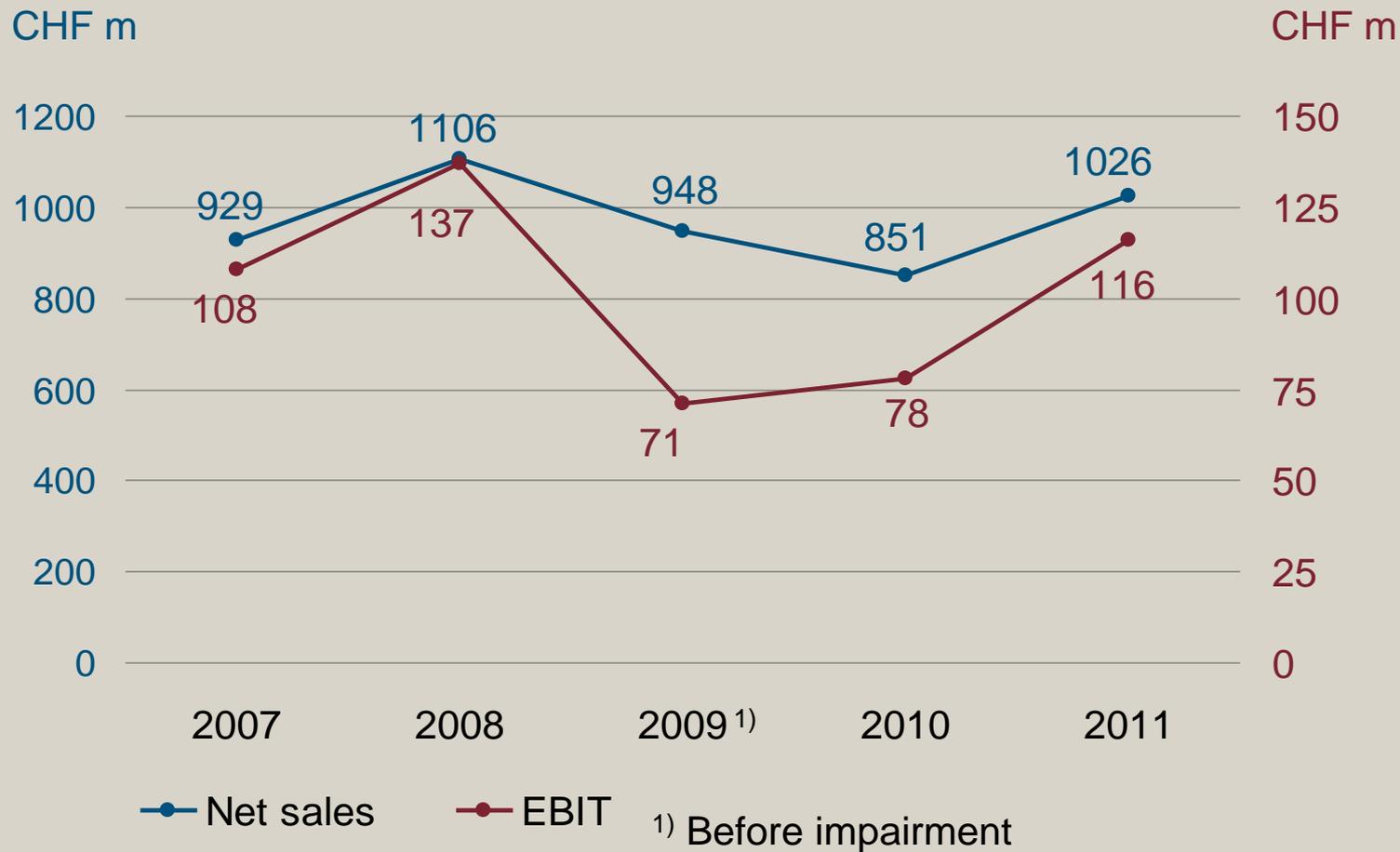
Bedding & feeding



Landscape  
maintenance

# Kuhn Group

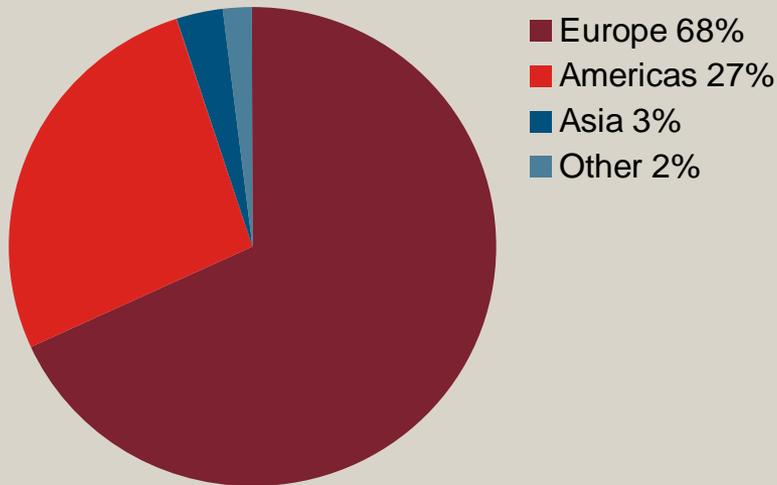
## Net sales and EBIT



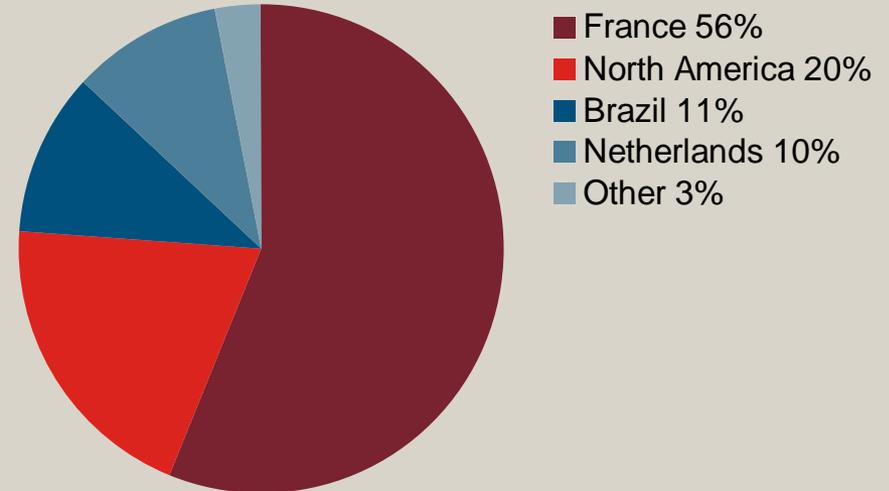
# Kuhn Group

## Net sales and number of employees 2011

Net sales  
CHF 1 026 m



Number of employees  
4 230 people



# Kuhn Group

## Market position

- World's leading manufacturer of specialised agricultural machinery under one brand
- Use of several distribution networks reduces dependence and increases potential for high market share
- Broad customer base and independence from large customers
- Specialist in hay and forage harvesting machinery, tillage machinery, seed drills, sprayers, feed mixers
- Market share: up to 30% or more worldwide depending on the product family
- Main competitors: Kverneland (NO), Krone (DE), Claas (DE), Pöttinger (AT), Amazone (DE) and other German, French and Italian manufacturers

# Kuhn Group

## Complete product range under one brand

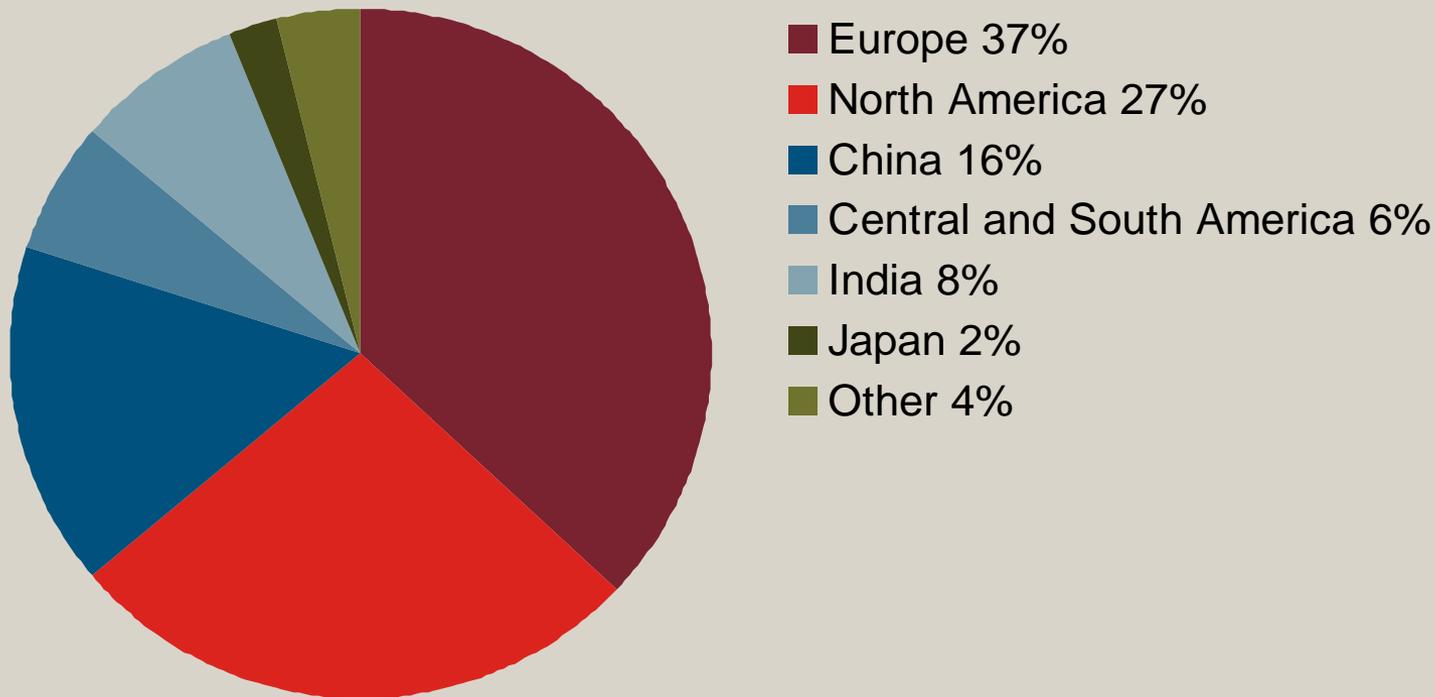
Competitors	Hay and forage				Hedge cutters	Feed mixers	Tillage equipment		Seeders		Spreaders	Sprayers	Tractors	Harvesters selfpropelled
	mowers	tedders	rakes	balers			driven	non-driven	drilling	precision				
<b>Kuhn Group</b>														
John Deere														
CNH														
AGCO														
Claas													Renault	
Krone														
Amazone														
Pöttinger														
Kubota/KVE				Gallignani									Kubota	
Exel / Hardi														
Lemken														
Horsch														
Väderstad														
Kongskilde														
Lely/Welger														
Sulky														
Monosem														

# Kuhn Group World farm equipment market

Segments		% of market
	Farm tractors	29%
	Harvesting machinery	16%
	Hay and forage machinery	6%
	Tillage	6%
	Planting and seeding, crop protection, fertilizing machinery	10%
	Other farm equipment machinery, attachments & parts	33%

# Kuhn Group

## World farm equipment market by region



# Kuhn Group

## 2011 highlights

- Favourable market trend
  - Strong demand in all main markets
  - Farm incomes sound and rising, stimulating investment
  - Southern states of the USA and Brazil are an exception, affected by unfavourable climatic conditions, with severe drought
  - By contrast, outstanding conditions in the north of the USA
- Good use made of favourable market conditions
  - Rapid increase in production levels brings steep sales rise
  - High capacity utilisation results in significant improvement in profitability
  - Successful integration of acquisitions and production innovation
  - Outstanding performance barely visible in Swiss franc results owing to negative currency translation effects

# Kuhn Group 2011 highlights

- Expansion of strategic market position
  - Acquisition of Kuhn Krause, Inc., Kansas/USA, gaining entry to the North American grain farming market
  - Minority stake of 24% in Rauch machinery in Germany strengthens partnership in the seed drill and fertiliser spreader segment
  - Manufacturing and licensing agreement with John Deere for large square balers
- Successful integration
  - Tried and tested approach
  - Inclusion of all interest groups
  - Patience and long-term perspective



# Kuhn Group Outlook for 2012

- Good long-term prospects
  - Growing population
  - Eating habits shifting towards more meat and dairy products
  - Need to produce a higher yield per hectare at lower cost
- Bright short-term prospects
  - Good conditions in the main markets
  - Normal inventories at dealers
  - Farmers expect favourable income situation to continue
  - Some uncertainty regarding drought in the USA
- Confidence for 2012
  - Further improvement in sales and operating profit
  - But growth rates well down on previous year

# Bucher Municipal Sweepers and winter maintenance equipment



Compact sweepers



Truck mounted sweepers

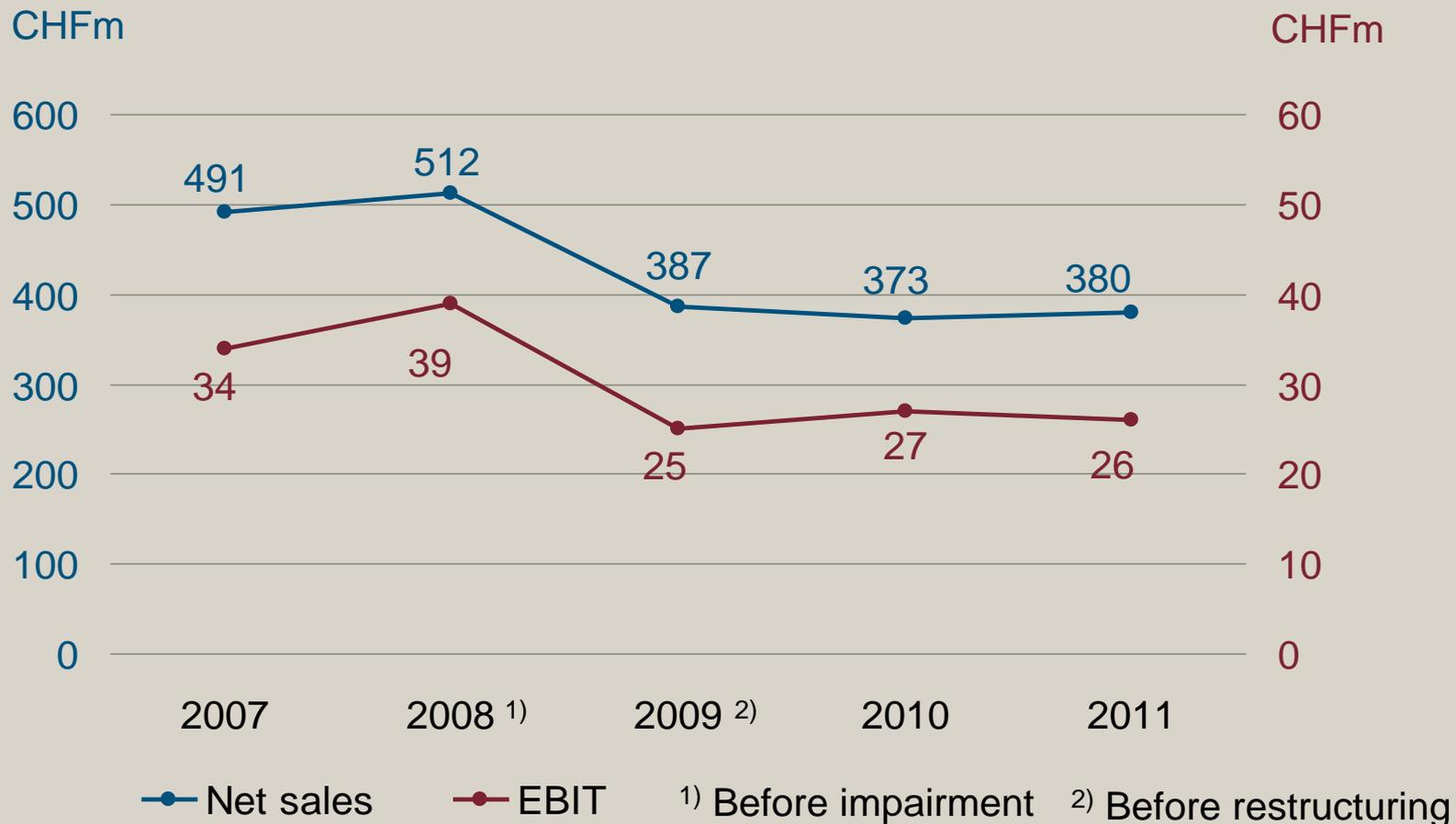


Spreaders



Refuse collection vehicles

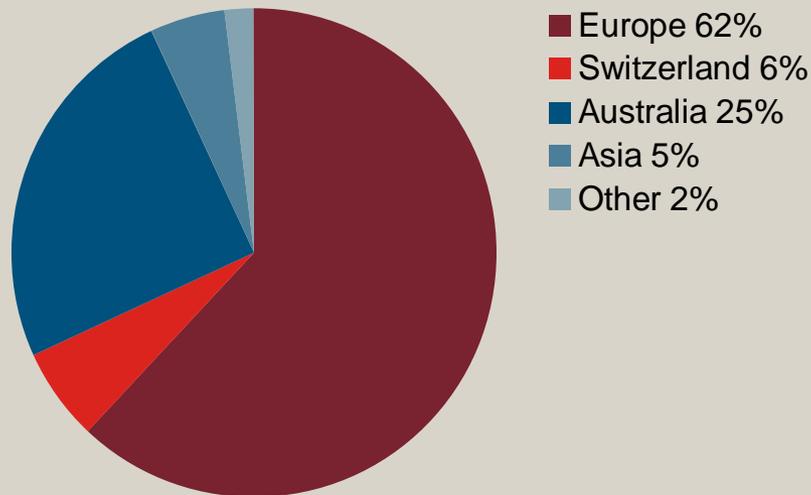
# Bucher Municipal Net sales and EBIT



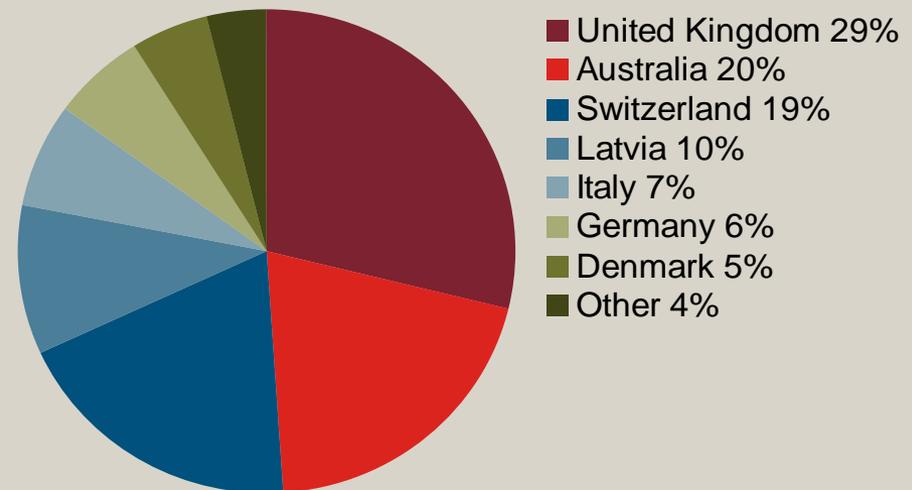
# Bucher Municipal

## Net sales and number of employees 2011

Net sales  
CHF 380 m



Number of employees  
1 530 people



# Bucher Municipal Market position

- Europe's leading manufacturer of compact and truck mounted sweepers, and winter maintenance equipment
- Market share in Europe:
  - ➔ compact sweepers 35%
  - ➔ truck mounted sweepers 60%
- Complete product line for municipal applications
- Main competitors: Schmidt (DE), Ravo (NL)\*, Elgin (USA), Scarab (UK)\*, Hako (DE), Boschung (CH) and Faun (DE)

\* Fayat Group

# Bucher Municipal Complete product range

Competitors	Sweepers						Specialist range	Spreaders	
	1m <sup>3</sup>	2m <sup>3</sup>	4m <sup>3</sup>	5m <sup>3</sup>	6m <sup>3</sup>	8m <sup>3</sup>		mounted	towed
Bucher Municipal (CH)									
Aebi-Schmidt (DE)									
Boschung (CH)									
Hako (DE)									
Faun (DE)									
Fayat Group (FR) *									
Elgin (USA)									
Dulevo (DE)									
Brock (DE)									
Tennant (USA)									
Epoke (DK)									
Acometis (FR)									

\* Ravo, Scarab, Mathieu

## Bucher Municipal 2011 highlights

- Surprisingly stable demand despite high level of debt at national and municipal level
- No significant change in investment policy
- Timely expansion of production and assembly plant In Latvia
- Swiss plant hard hit by strong Swiss franc; currency effect mitigated thanks to Latvian plant
- Successful bid for biggest ever contract, worth CHF 62 million, for sweepers for the city of Moscow
- Maximum capacity utilisation from fourth quarter of 2011 until mid-2012



# Bucher Municipal Outlook for 2012

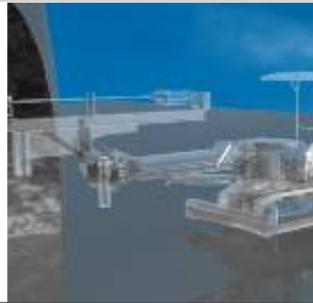
- Market volumes declined by 30% since record year of 2008
- Stable demand at a low level
- Persistence of competitive pressure expected
- Full capacity utilisation until mid-year thanks to major contract from Moscow, also contributing to improvement in sales and profit
- Completion of change to new generation of sweepers
- Continuation of product innovation for emission-free sweepers
- Higher sales, improved operating profit and increase in profitability expected

# Bucher Hydraulics

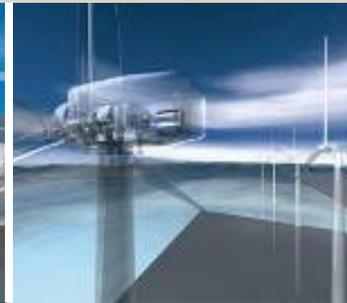
## Custom drive solutions



Agricultural  
machinery



Mining/  
tunnelling



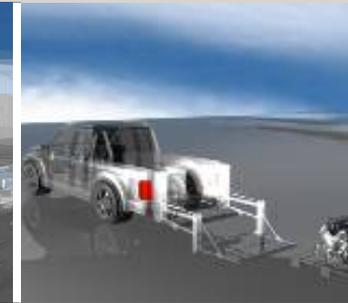
Wind energy



Industrial



Municipal  
vehicles



Liftgates



Construction  
equipment



Materials  
handling



Marine/  
offshore



Elevator  
technology



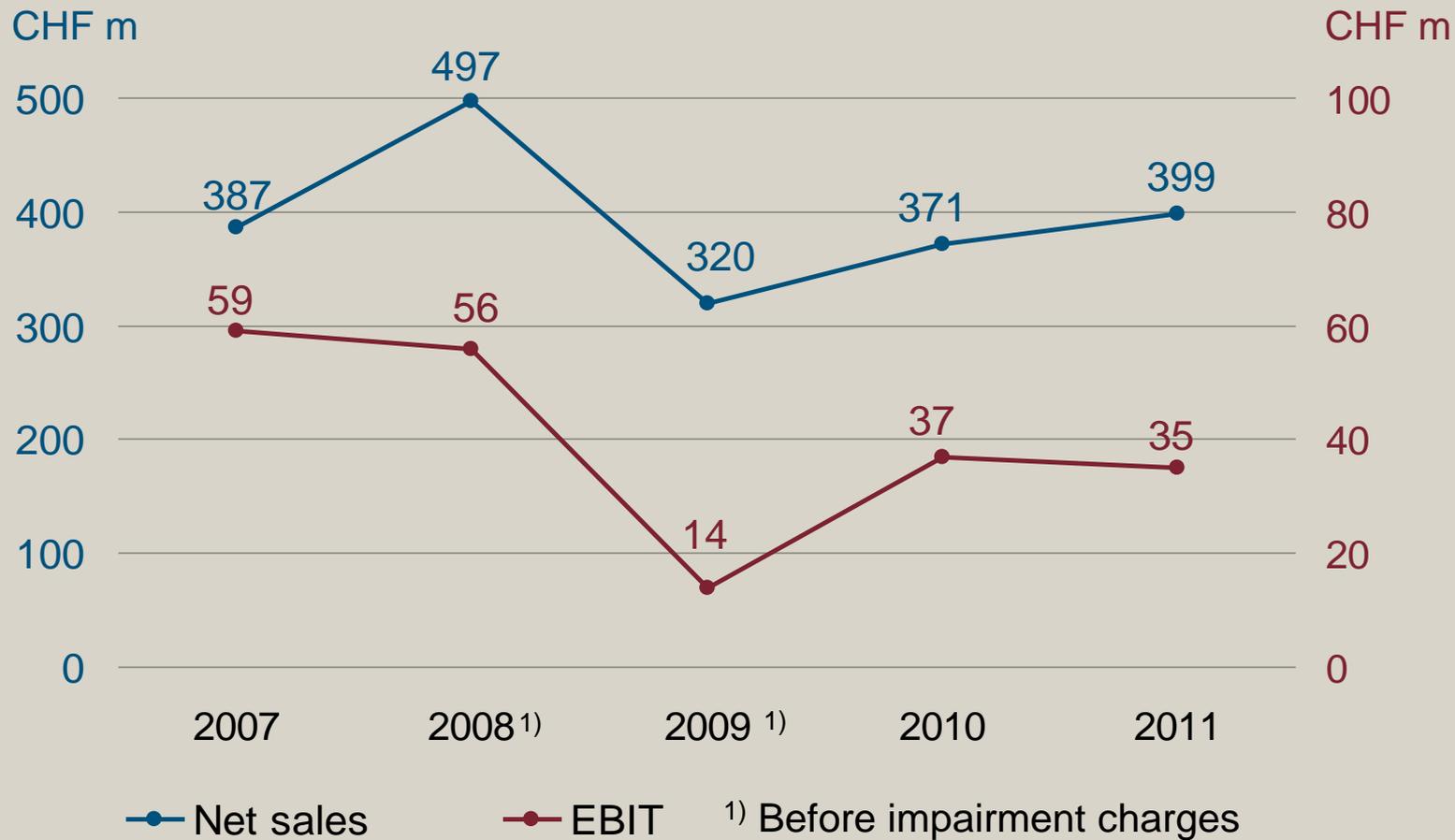
High-voltage  
switch gear



Dyna-lift

# Bucher Hydraulics

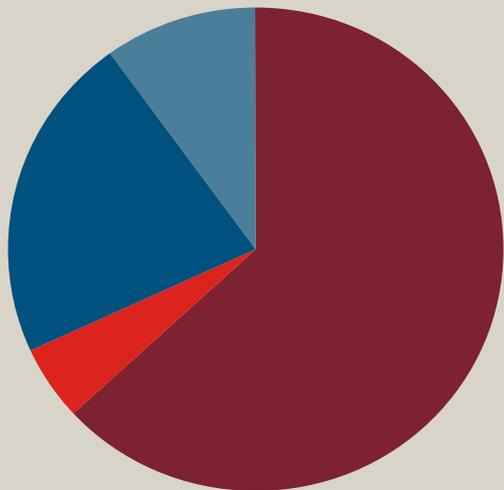
## Net sales and EBIT



# Bucher Hydraulics

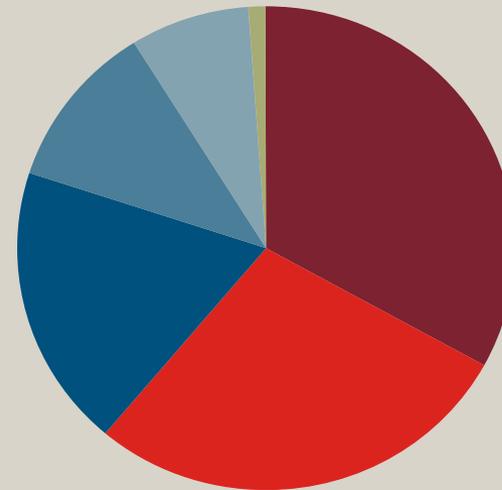
## Net sales and number of employees 2011

Net sales  
CHF 399 m



- Europe 63%
- Switzerland 5%
- Americas 22%
- Asia 10%

Number of employees  
1 712 people



- Germany 33%
- Switzerland 28%
- Americas 19%
- Italy 11%
- Asia 8%
- Other 1%

# Bucher Hydraulics

## Market position

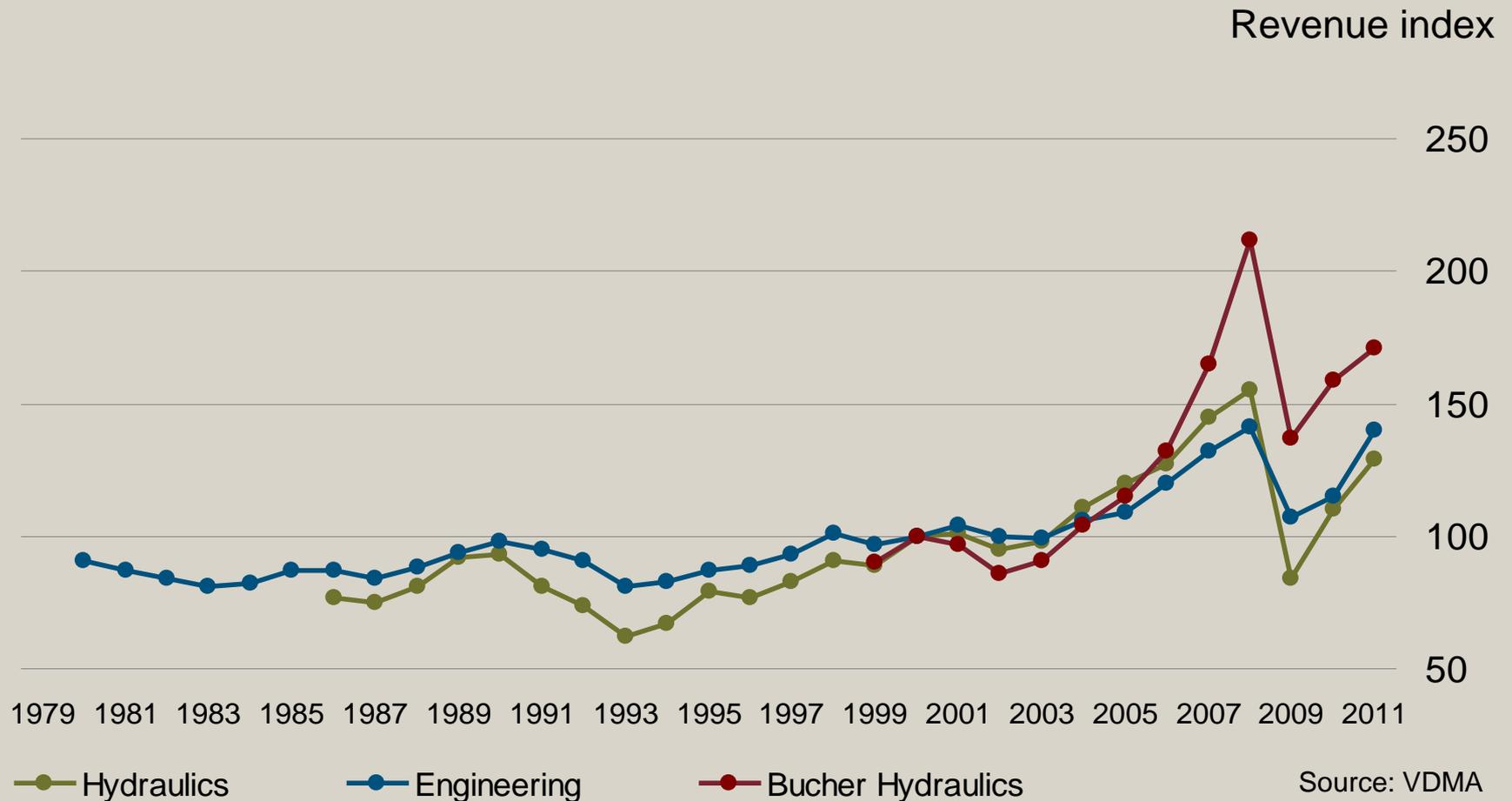
- Leading specialist in mobile, industrial and elevator hydraulics across Europe; presence built up in the USA
- Market share: 10% to 20% in specialised areas of hydraulic engineering
- Focused on customised drive solutions
- Main competitors: Bosch-Rexroth (DE), Sauer Danfoss (USA), Parker Hannifin (USA), Eaton Vickers (USA), Hydac (DE), Hawe (DE), Husco (USA), Denison (USA) and a large number of other German and Italian manufacturers

# Bucher Hydraulics

## Leading market position in Europe

	Pumps			Valves					Motors & cylinders			Accessories				Power packs		
Competitors	Piston	Vane	Gear	Industrial (Cetop)	Servo	Directional-spool	Cartridge	Manifolds	Special	Gear	Piston	Cylinders	Electronics	Accumulators	Filters	Other	Compact	Contracting
<b>Bucher Hydraulics</b>																		
Parker (USA)																		
Eaton (USA)																		
Rexroth (DE)																		
Sauer Danfoss (DE)																		
Hydac (DE)																		
HAWE (DE)																		
Brevini Group (IT)																		
Walvoil (IT)																		
Argo-Hytos (DE)																		
Moog (USA)																		
Concentric (SE)																		
Husco (USA)																		
Sun Hydraulics (USA)																		
Hydraforce (USA)																		

# Bucher Hydraulics Segment growth rates



# Bucher Hydraulics

## 2011 highlights

- High market dynamics overall
  - Strong first half thanks to a certain demand backlog
  - Flattening of growth in the second half
  - Brisk demand in construction and agricultural machinery
  - Subdued demand in materials handling and industrial hydraulics
- Significant currency effects, despite record volume output in some products (valves, pumps)
  - Increased purchasing in euro and US-dollar zones
  - Longer working hours in Switzerland
- Expansion of capacity at main German manufacturing facility (9 000m<sup>2</sup>, EUR 10 million)



# Bucher Hydraulics Outlook for 2012

- Decrease in order intake
- Slowdown in construction activity in China also affecting construction machine segment
- Impetus from projects with globally active customers expected
- Completion of expansion project at Klettgau manufacturing facility, Germany
- Stabilisation of sales on lower growth and modest rise in profitability expected

# Emhart Glass

## Glass container manufacturing equipment



Gob forming



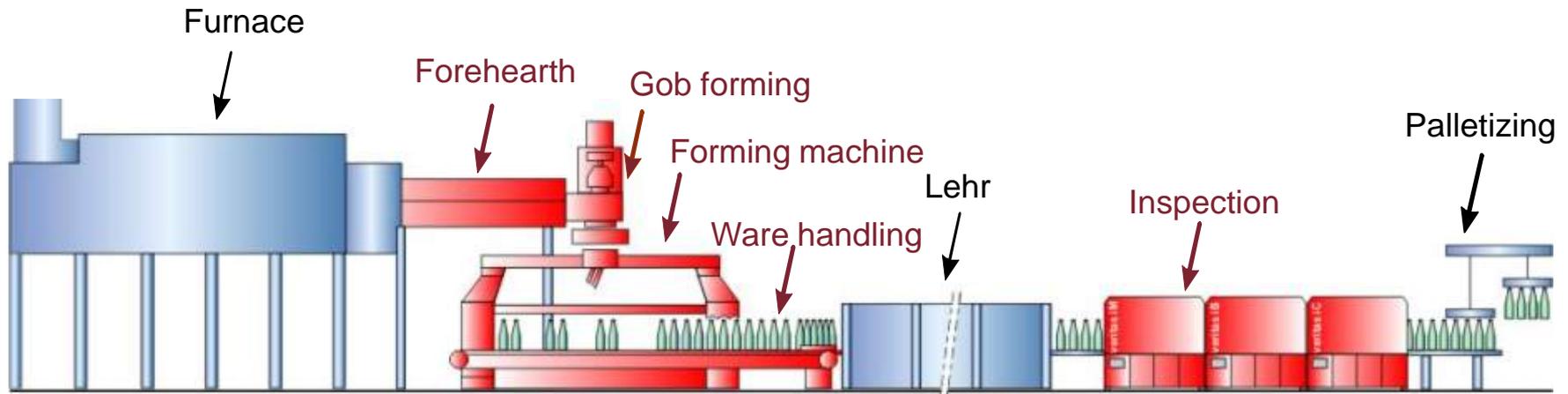
Glass forming machine



Ware handling



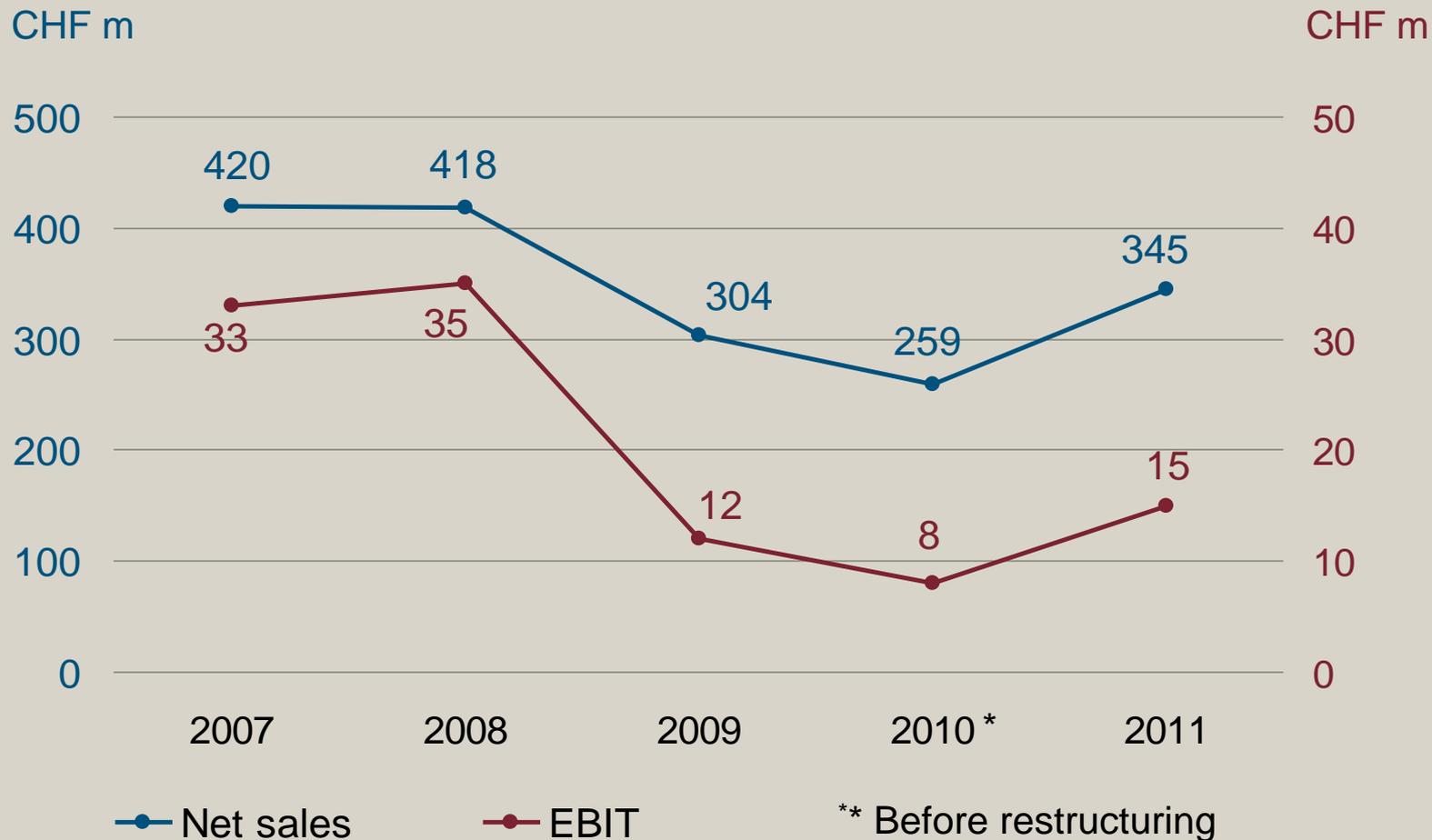
Inspection



Glass container manufacturing process

# Emhart Glass

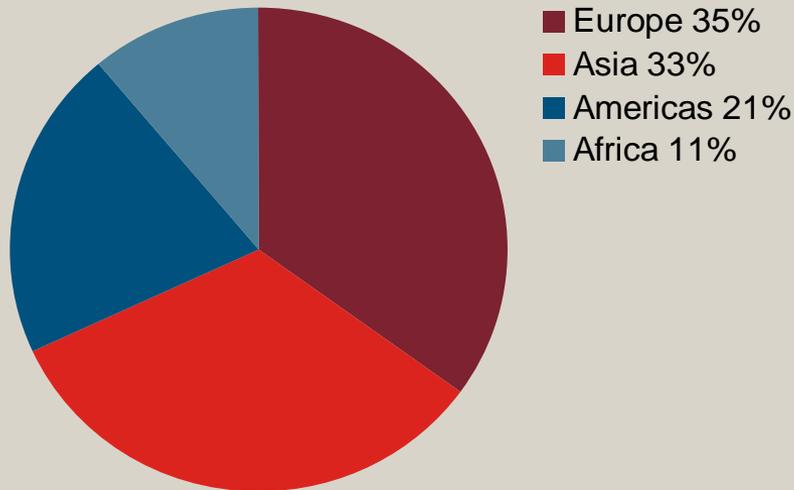
## Net sales and EBIT



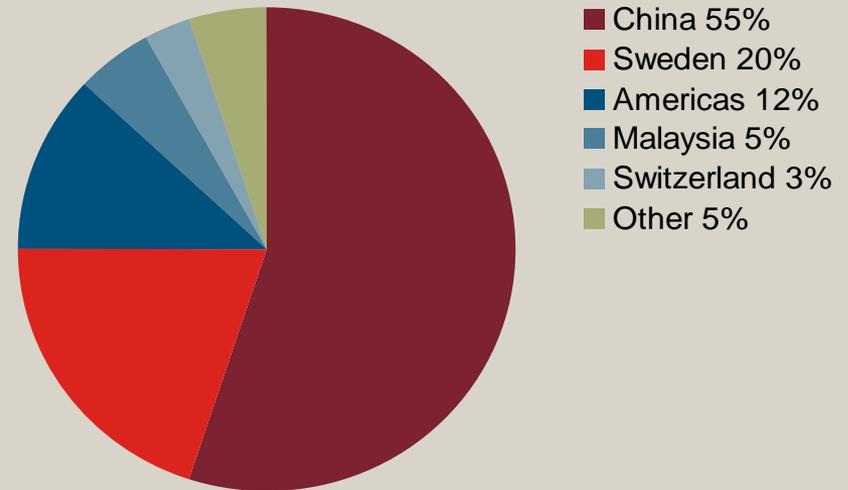
# Emhart Glass

## Net sales and number of employees 2011

Net sales  
CHF 345 m



Number of employees  
2 134 people



# Emhart Glass

## Market position

- World's leading supplier of machinery, equipment and services for glass container manufacturers
- Market share: 50% worldwide for glass forming machines and services; 25% worldwide for inspection systems
- Main competitors: Owens-Illinois (USA), Saint Gobain (FR), Bottero (IT), BDF (IT), Heye International (DE) in glass forming machinery; Saint Gobain Cinematique (FR), MSC (FR) in inspection systems

# Emhart Glass

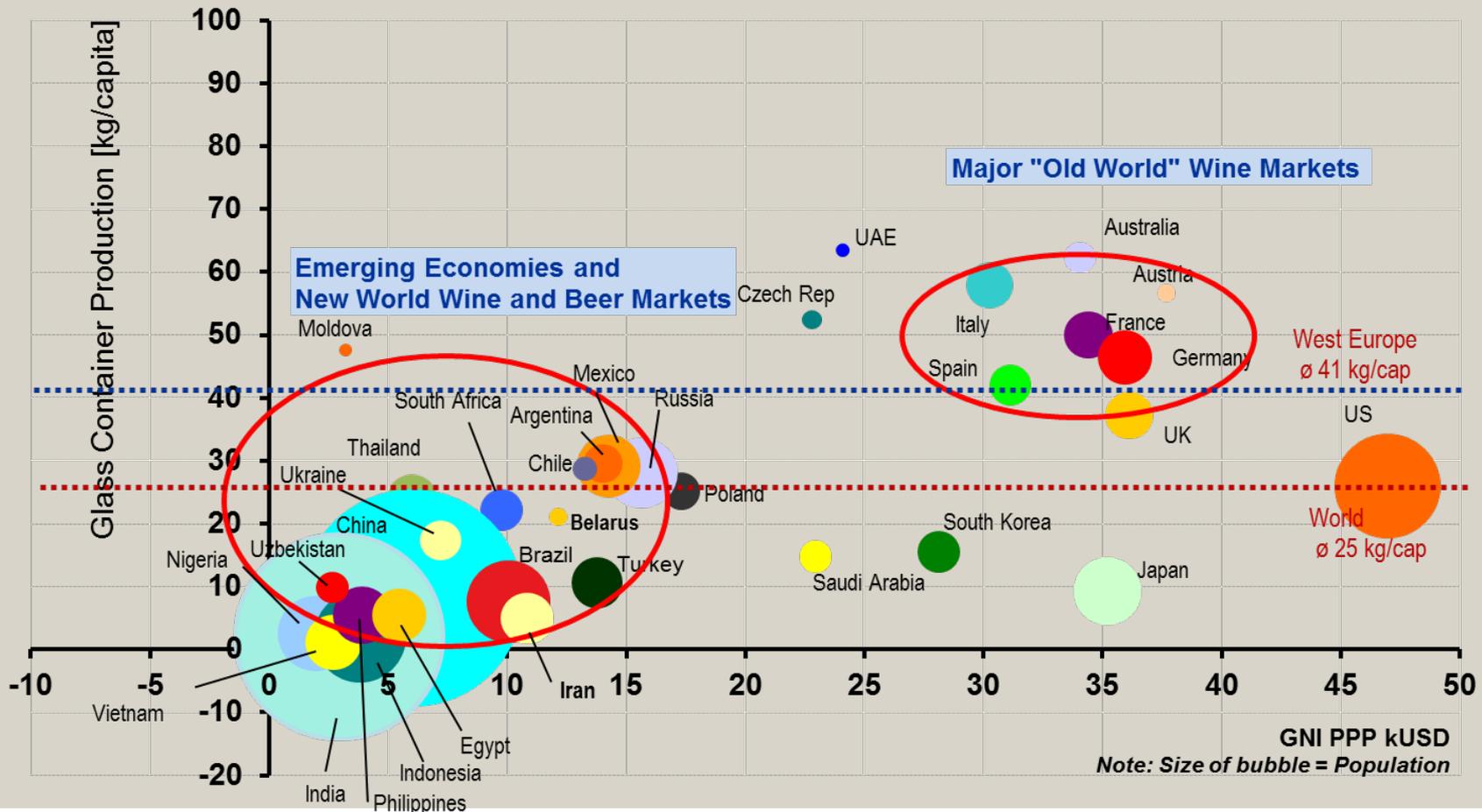
## World's leading machinery manufacturer

Competitors	Hot End								Cold End			
	Refractory	Fore-hearth	Feeder & shear	IS forming machine				Ware handling	Lehr	Inspection	Palletizing	Wrapping
				NIS	BIS	AIS	IS					
<b>Emhart Glass</b>												
<b>Sanjin</b>												
Bottero (IT)												
Heye (DE)												
Sklostroj (CZ)												
GPS (DE)												
BDF (IT)												
O-I (USA)												
China competitors												
MSC & SGCC (FR)												
PSR (UK)												

# Emhart Glass

## Per capita glass consumption

The high correlation between GNI and glass consumption fosters growth in emerging markets



# Emhart Glass

## 2011 highlights

- Marked upturn after ten-year low in 2010
  - High capacity utilisation in glass container industry
  - Brisk demand in Europe, Asia, Middle East and South America
  - Normalisation of demand towards end of year
- High capacity utilisation in new and spare-parts business
  - Expansion of assembly capacity in Malaysia
  - Increased purchasing of components in Asia and Europe
  - Major contract worth CHF 40 million from India, half of which affecting sales in 2011
- Strong Swedish krona has negative impact on operating profit
- Vetropack becomes first customer for commercialisation of tempered glass bottles



## Emhart Glass Outlook for 2012

- Market dynamic in the glass container industry, but at a lower level than the previous year
- Distinct upturn in second half due to lively project activities
- Growth, consolidation and integration of Sanjin as sales and earnings pillar
- Good global set-up of division, with plants in Sweden, the USA, Malaysia and China
- Further improvement in sales and operating profit

# Bucher Specials

## Independent businesses

Winemaking equipment



Fruit juice processing systems and drying equipment



Agricultural distributorship for Switzerland



Horizontal grape presses



Hydraulic presses



New Holland tractor



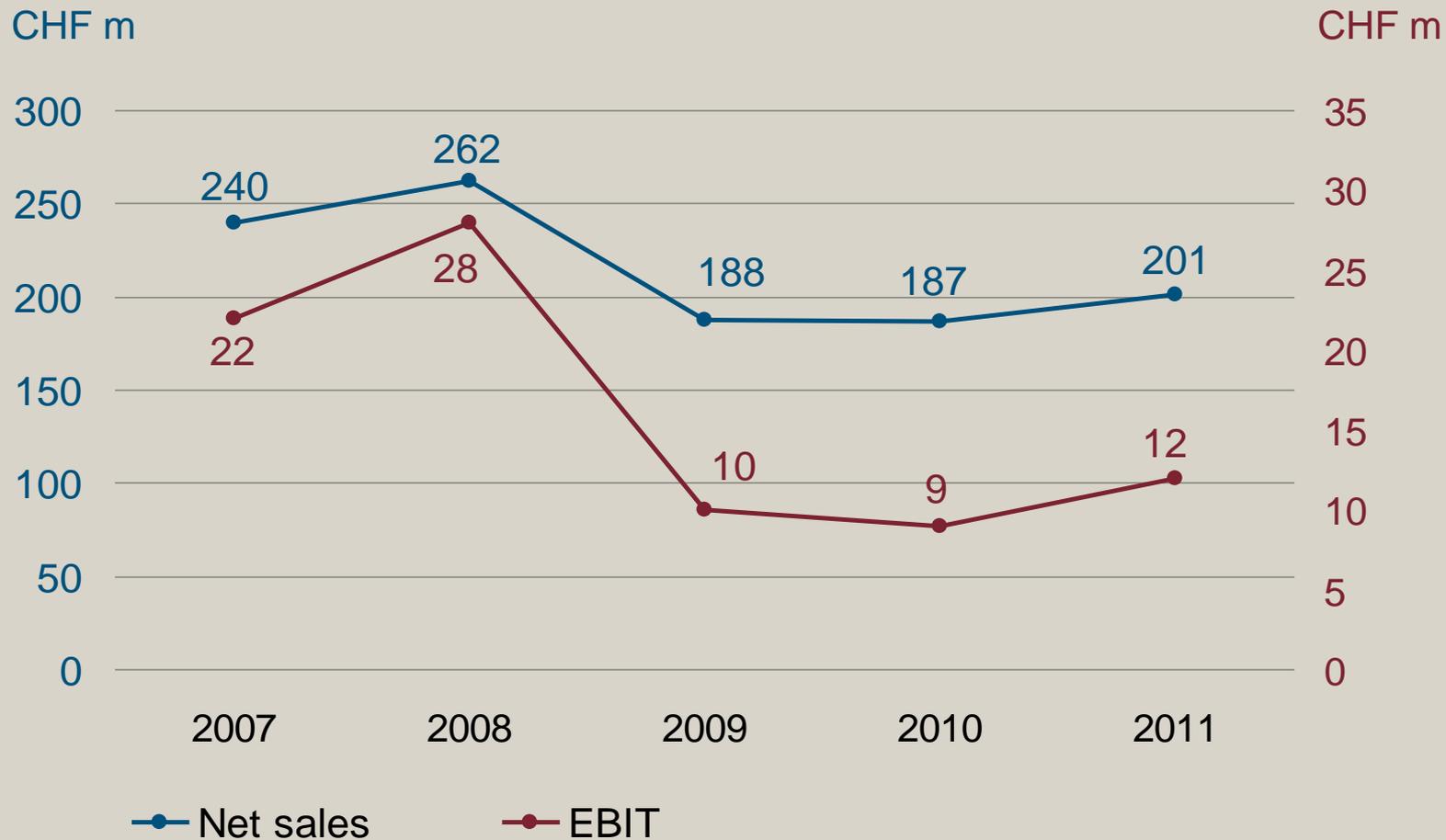
Micro-filtration systems

Filtration systems

Round balers

# Bucher Specials

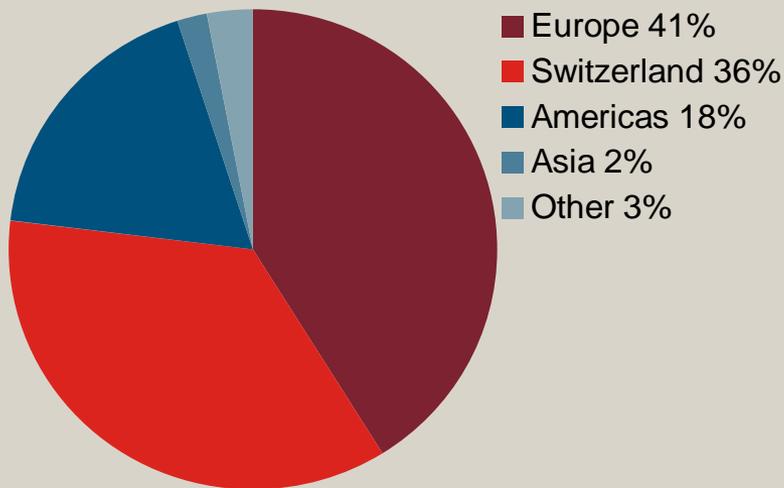
## Net sales and EBIT



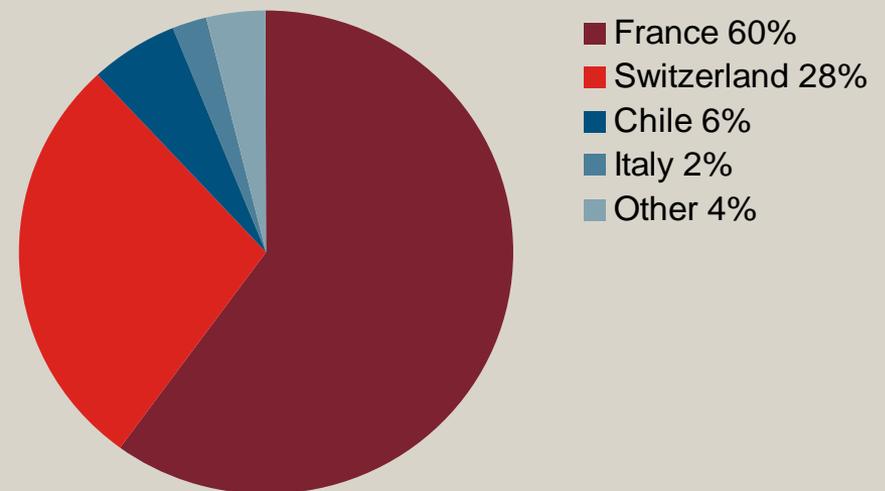
# Bucher Specials

## Net sales and number of employees 2011

Net sales  
CHF 201 m



Number of employees  
511 people



# Bucher Vaslin

## Market position

- World market leader in winemaking equipment
- Strong global distributor network
- Specialised production facilities in France and Chile
- Market share: 35% to 45% worldwide
- Main competitors: Pera (FR), Della Toffola (IT), Diemme (IT), Velo (IT) and other Italian and German manufacturers

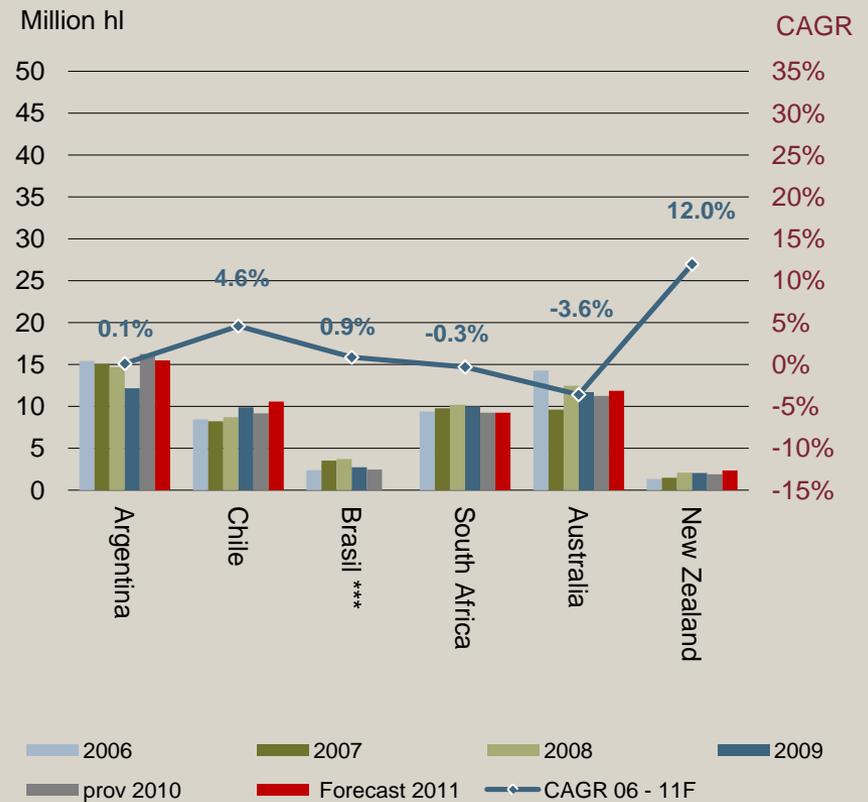
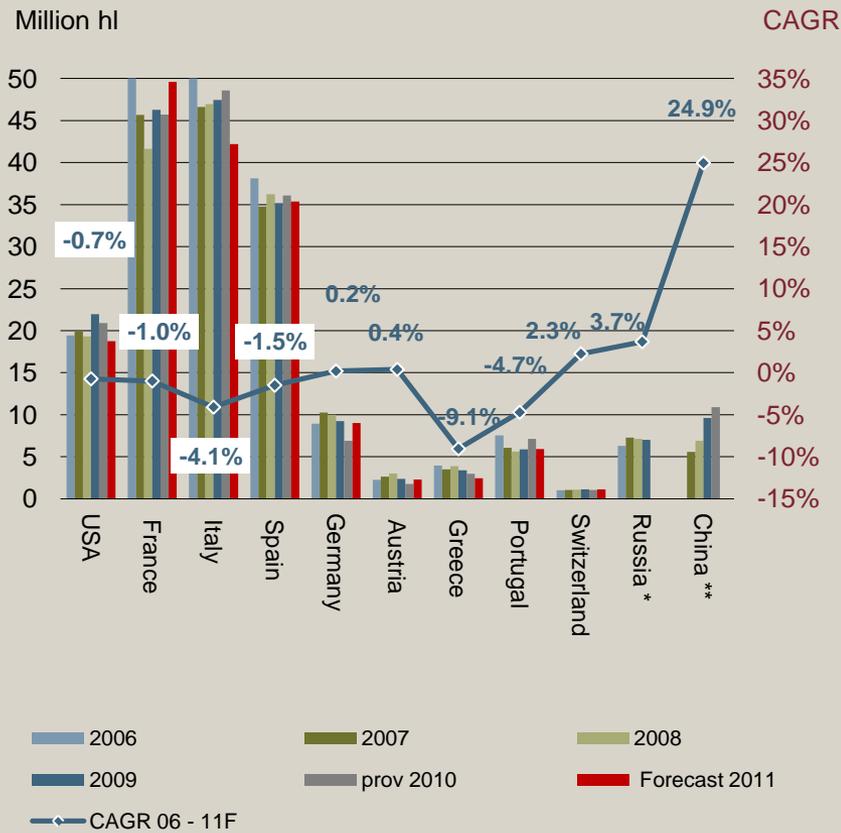
# Bucher Vaslin

## World market leader

### Wine production

Competitors	Reception	Crushing	Pressing	Fermentation	Filtration	Filling
<b>Bucher Vaslin</b>						
Pera (FR)						
Diemme (IT)						
Velo (IT)						
Della/Toffola (IT)						
Gai (IT)						

# Bucher Vaslin Wine production



# Bucher Unipektin

## Market position

- World market leader in fruit, berry and vegetable juice processing equipment
- Market share: 35% to 50% worldwide
- Development of a new business segment for dewatering of municipal and industrial sludge
- Main competitors: Flottweg (DE), GEA (DE), Alfa Laval (SE) and Andritz (AT)

# Bucher Unipektin

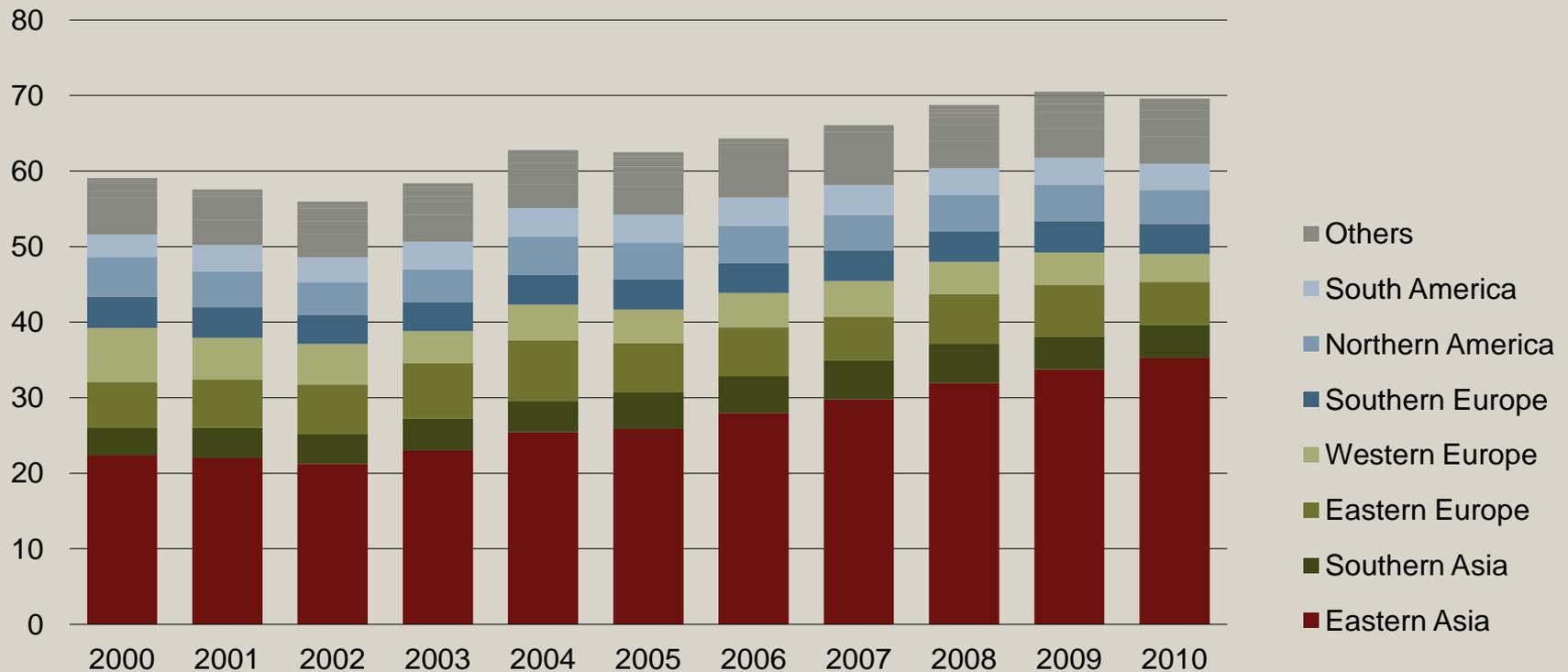
## World market leader

### Juice production

Competitors	Reception	Milling	Mash heating	Dejuicing	Pasteurization	Filtration	Adsorption	Evaporation
<b>Bucher Unipektin</b>								
Flottweg (DE)								
Bauer & Partners (PL)								
GEA Group (DE)								
Alfa Laval (SE)								
Schmidt-Bretten (DE)								
Bellmer (DE)								
Kaimi (CN)								

# Bucher Unipektin Apple production

Million tonnes



# Bucher Landtechnik

## Market position (in Switzerland)

- Distributorship of tractors and agricultural machinery
- Well established among farmers and distributors
- Professional distributor network and high quality of service
- Wide range of tractors (New Holland, Case, Steyr), attachments (Kuhn) and wheel loaders (Weidmann)
- Market share: 20% to 30%
- Main competitors
  - Tractors: John Deere, AGCO, SDF, Claas
  - Attachments: Pöttinger, Kverneland, Amazone, Lemken, Rabe, Krone, Fella

# Bucher Landtechnik

## Market leader in Switzerland

Competitors	Hay and forage				Hedge cutters	Feed mixers	Tillage equipment		Seeders		Spreaders	Sprayers	Tractors	Harvesters self-propelled	Wheel-loaders
	Mowers	Tedders	Rakes	Balers			driven	non-driven	drilling	precision					
Bucher Landtechnik	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn	Kuhn		Kuhn	CNH		Weidemann
Matra (John Deere)															
GVS (AGCO)	Krone	Krone	Krone	Krone			Rabe	Rabe	Rabe	Rabe			Fendt / MF / Valtra	Fendt / MF / Krone	Bichon
Serco (Claas)															InTrac
Ott Landmaschinen	Kv	Kv	Kv	Kv		Kv	Amazone Kv	Amazone Kv	Amazone Kv	Amazone Kv	Amazone Rauch / Kv	Amazone Kv			
Pöttinger CH															
Fella CH															
Grunderco					Rousseau									CNH	
Lemken CH															

# Bucher Specials 2011 highlights

- Differing market trends
  - Decline in winemaking equipment owing to suspension of subsidies in France
  - Marked upturn in processing equipment for fruit juice and instant products
  - Progress in sludge dewatering systems thanks to distribution agreement with Degrémont
  - Swiss distributorship for tractors and agricultural machinery stable
- Bucher Vaslin acquires Sutter wine presses as a complement in high-end segment
- Successful integration of Unipektin Engineering



# Bucher Specials Outlook for 2012

- Market outlook for the independent businesses
  - Stabilisation of business with winemaking equipment, particularly in the key market of France
  - Good prices for apple juice concentrate underpins sales of equipment for fruit juice processing
  - Order intake for sludge dewatering systems should reach CHF 10 million
  - Stable demand in Swiss distributorship for tractors and agricultural machinery
- Continuation of business development expected of the same magnitude as the first half
- Bucher Specials expects sales and operating profit above the previous year

## Group outlook for 2012

- Continued downturn in the world economy with no prospect of a rapid recovery
- Trends in our markets
  - Agricultural machinery: positive business development
  - Municipal vehicles: big Moscow order brings growth; demand otherwise stable at a low level
  - Hydraulic components: weakening demand
  - Machinery for glass container production: distinct upturn expected in second semester
  - Recovery in fruit juice and instant products, stable situation in winemaking equipment and distributorship for agricultural machinery
- Further improvement expected in sales, operating profit and profit for the year