

# Group presentation

## Technology group founded in 1807

- Group specialised in mechanical and vehicle engineering
- 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
- Clear divisional structure with decentralised profit responsibility
- Group-wide strategic and financial management
- Bucher Industries is a long term oriented industrial group

## Five divisions



### **Kuhn Group**

Machinery for hay and silage making, bedding and feeding, soil preparation, seeding, fertilisation and spraying

Sales CHF 929 m  
Employees 3 077

### **Bucher Municipal**

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

Sales CHF 557 m  
Employees 1 535

### **Bucher Process**

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

Sales CHF 174 m  
Employees 490

### **Bucher Hydraulics**

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

Sales CHF 387 m  
Employees 1 303

### **Emhart Glass**

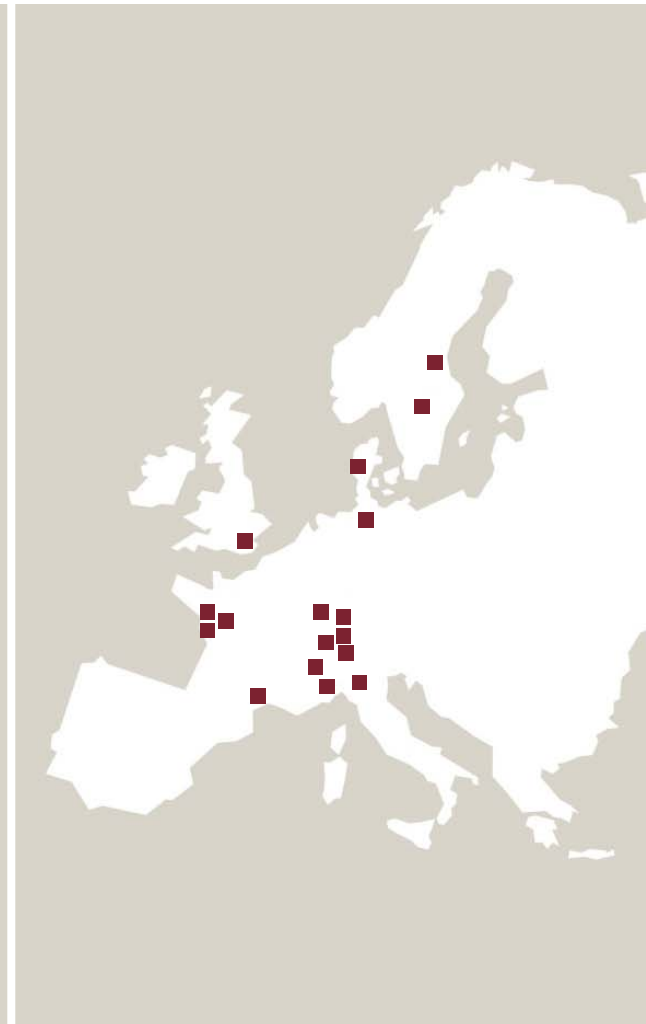
Machinery, components, systems and services for the glass container industry

Sales CHF 420 m  
Employees 1 063

## No. 1 market positions

- Kuhn Group                      worldwide in fodder harvesting machinery and feed mixer
- Bucher Municipal              in Europe in street sweepers
- Bucher Process                worldwide in fruit juice and wine production plants
- Bucher Hydraulics            in Europe in special segments of hydraulics
- Emhart Glass                  worldwide in glass container production equipment

# Manufacturing sites worldwide



## Group and division earnings targets

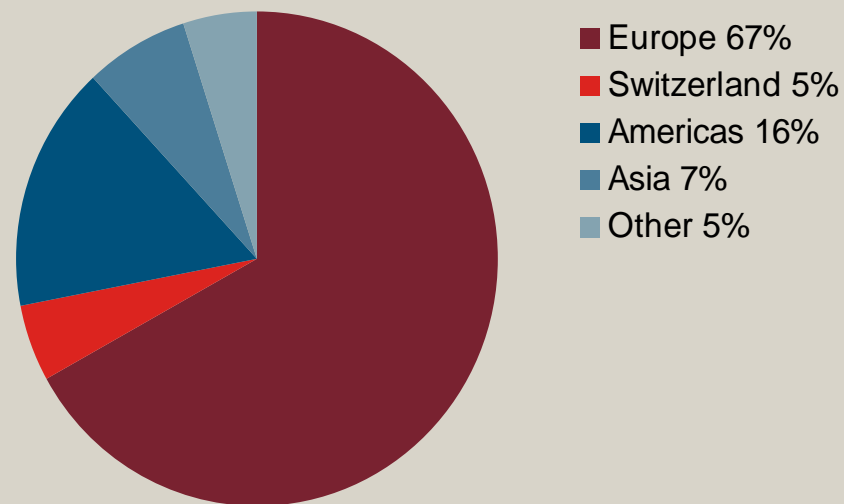
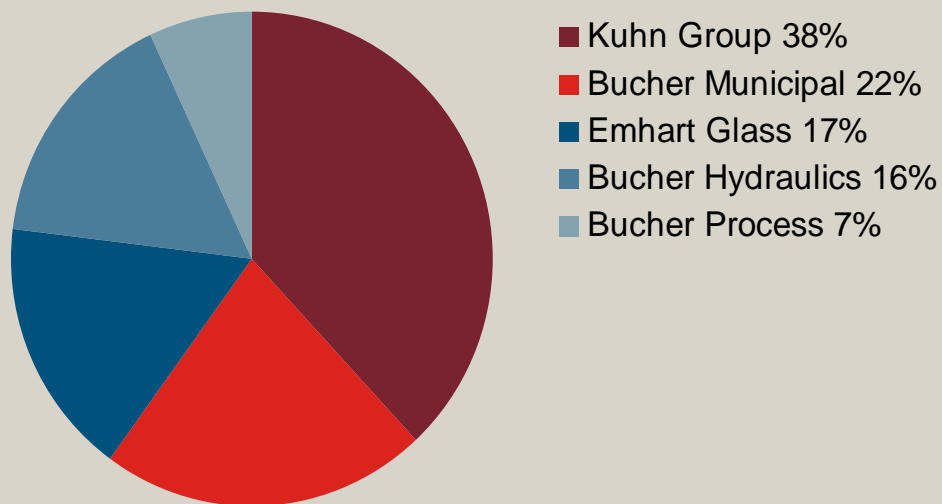
EBIT margin in %	Targets	2007	2006	2005	2004	2003
Kuhn Group	11	11.6	5.3	8.4	8.3	7.6
Bucher Municipal	8	6.6	5.4	4.2	2.2	0.5
Bucher Process	9	10.9	7.6	5.9	4.1	-2.3
Bucher Hydraulics	11	15.1	12.6	9.9	8.6	3.9
Emhart Glass	9	7.9	7.0	5.2	6.9	6.3
<b>Bucher Industries</b>	<b>9</b>	9.3	5.9	6.0	5.6	3.8

### Group and divisions

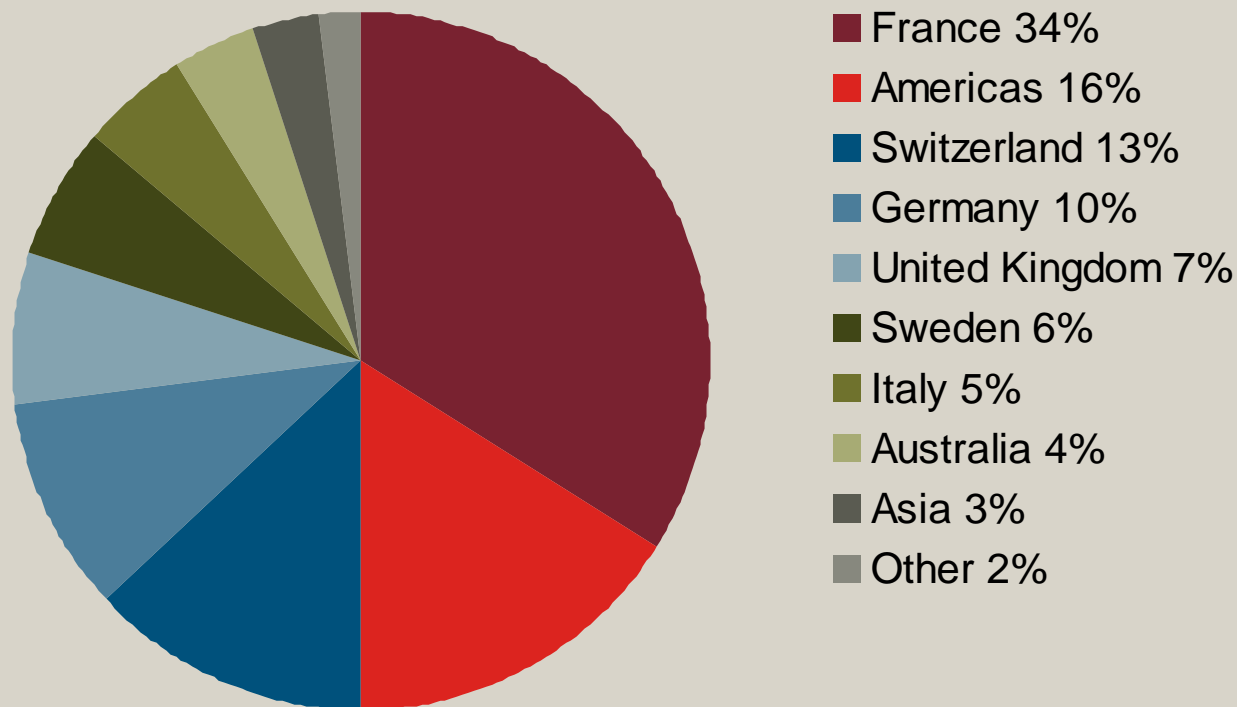
RONOA after tax	>16	23.8	14.3	14.8	12.1	6.9
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# Net sales by divisions and regions 2007

CHF 2 459 m

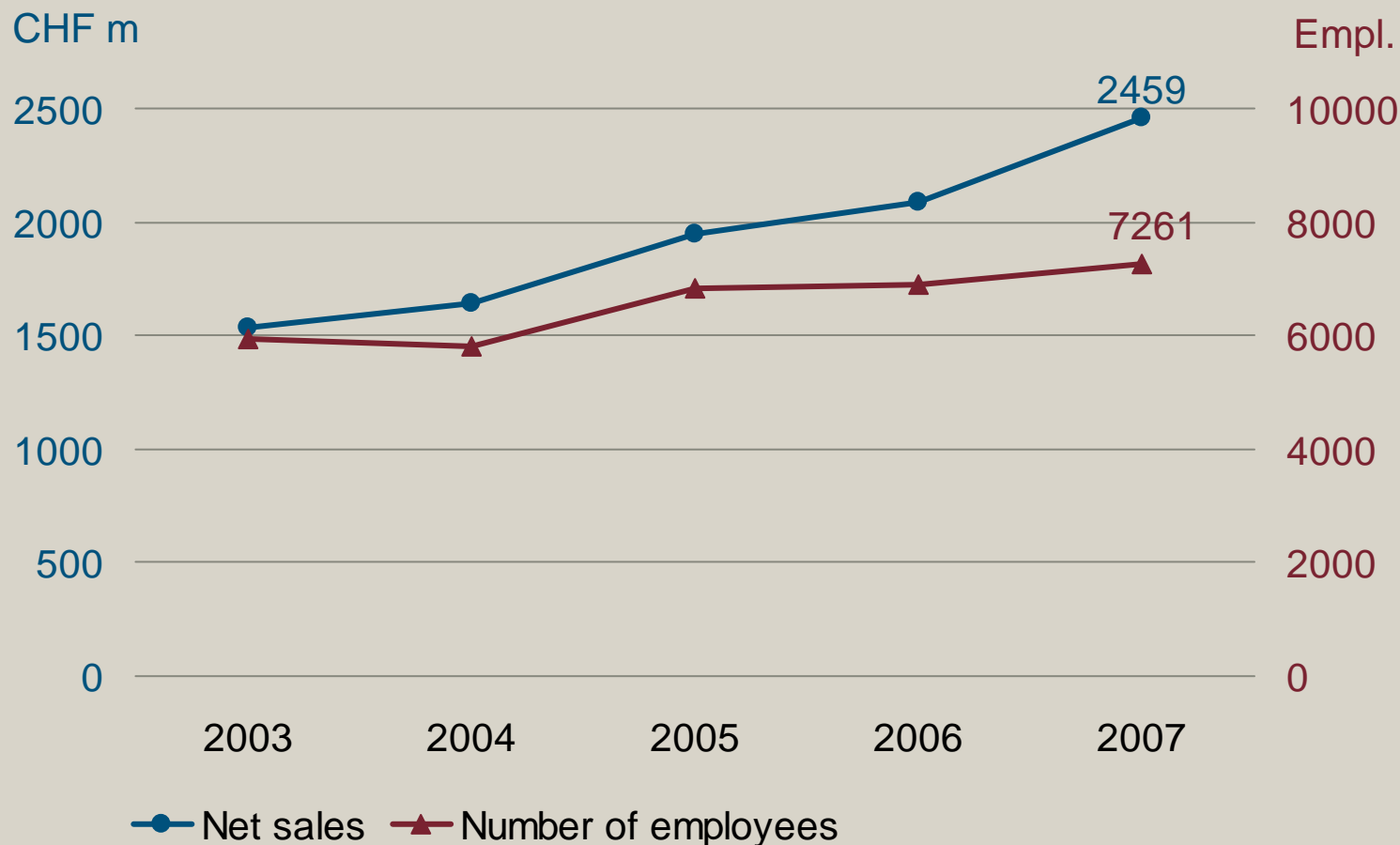


## Number of employees by region 2007

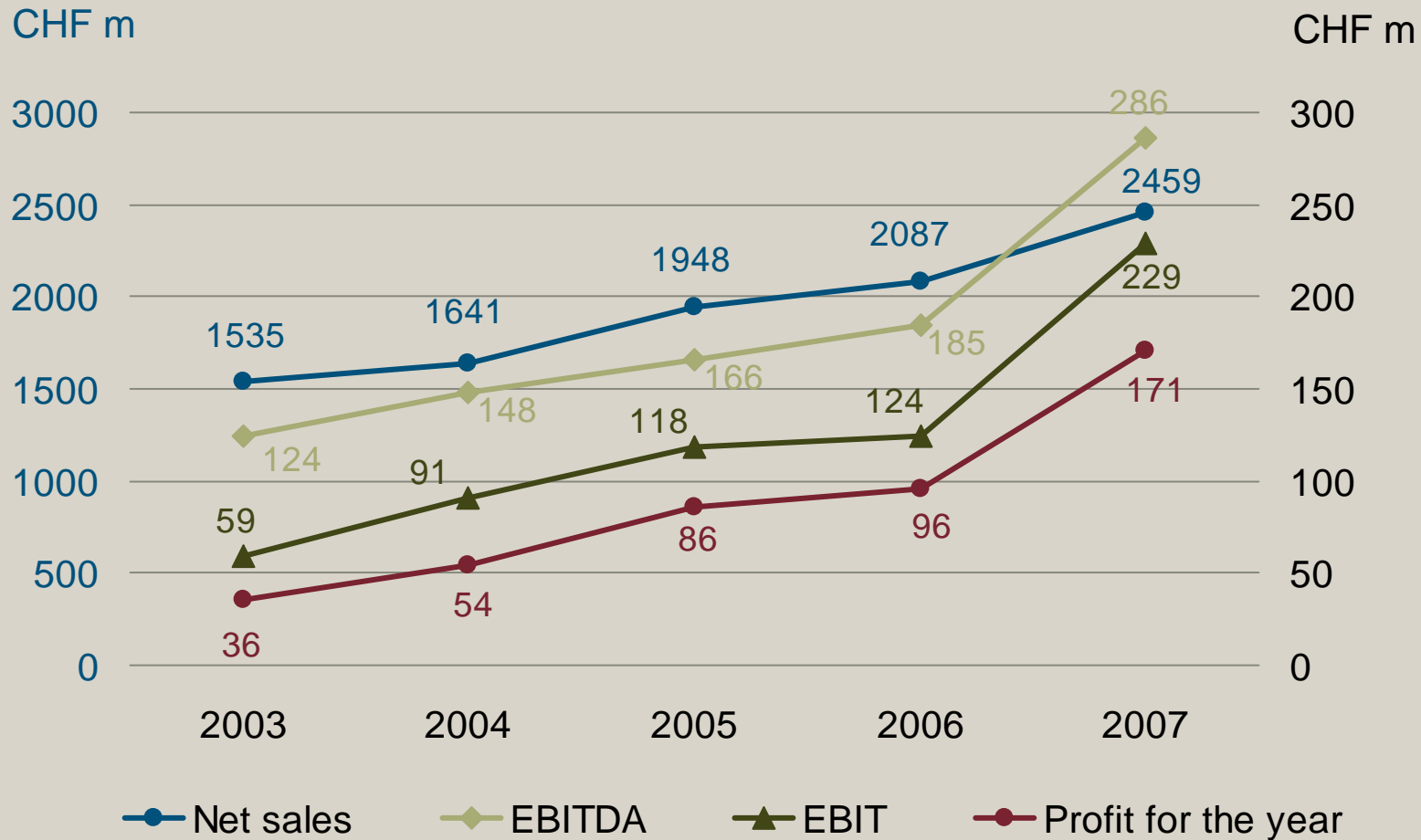




# Net sales and number of employees



# Net sales and results 2007



## Group at a glance in 2007 / 1<sup>st</sup> half 2008

- Best result ever in the company's 200-year history
- All divisions reached or exceeded a 14% return on net operating assets after tax
- Group sales up 18% to CHF 2.5 billion / +19% to CHF 1.45 billion
- High organic growth of 15% / 19%
- Flexible organisation generated sales volume with existing infrastructure
- Increasing profit by 79% from CHF 96 million to CHF 171 million / +32% from CHF 68 million to CHF 89 million
- 23.8% return on capital employed, well above target

## Group at a glance in 2007 / 1<sup>st</sup> half 2008 (continued)

- Marked improvement in profitability
  - EBITDA margin up from 8.8% to 11.6% / from 9.9% to 11.2%
  - EBIT margin up from 5.9% to 9.3% / from 7.6% to 9.1%
  - RONOA after tax up from 14.3% to 23.8%
- Divisions strengthened
  - Bucher Hydraulics: by Monarch Hydraulics in the USA
  - Emhart Glass: by ICS / Inex and R&D centre in the USA
- Solid balance sheet
  - Net cash position of CHF 164 million / net debt of CHF 145 million
  - Total intangible assets representing 9% of equity / after acquisition of Monarch Hydraulics Inc. 17%
  - Equity ratio of 41% / 40%

## Key figures

CHF million	<b>2007</b>	<b>2006</b>	% Change
Order intake	2 704	2 163	25.0
Net sales	2 459	2 087	17.8
Order book	871	605	44.0
Operating profit (EBITDA) as % of net sales	286 11.6%	185 8.8%	54.9
Operating profit (EBIT) as % of net sales	229 9.3%	124 5.9%	85.4
Profit for the year as % of net sales	171 7.0%	96 4.6%	79.1

## Investment for the future

CHF million	2007	2006	% Change
Product development	71	65	8.9
Capital expenditure on PPE	128	58	121.0

## Division results

CHF million	2007		2006	
	EBIT	EBIT-margin	EBIT	EBIT-margin
Kuhn Group	108	11.6%	42	5.3%
Bucher Municipal	37	6.6%	29	5.4%
Bucher Process	19	10.9%	11	7.6%
Bucher Hydraulics	59	15.1%	39	12.6%
Emhart Glass	33	7.9%	23	7.0%
Other/consolidation	-27		-20	
<b>Bucher Industries</b>	<b>229</b>	<b>9.3%</b>	<b>124</b>	<b>5.9%</b>

# Kuhn Group

## Specialised agricultural machinery



Ploughing



Soil preparation



Seeding



Fertilisation



Manure spreaders



Spraying

Landscape  
maintenance

Shredding



Hay &amp; silage making

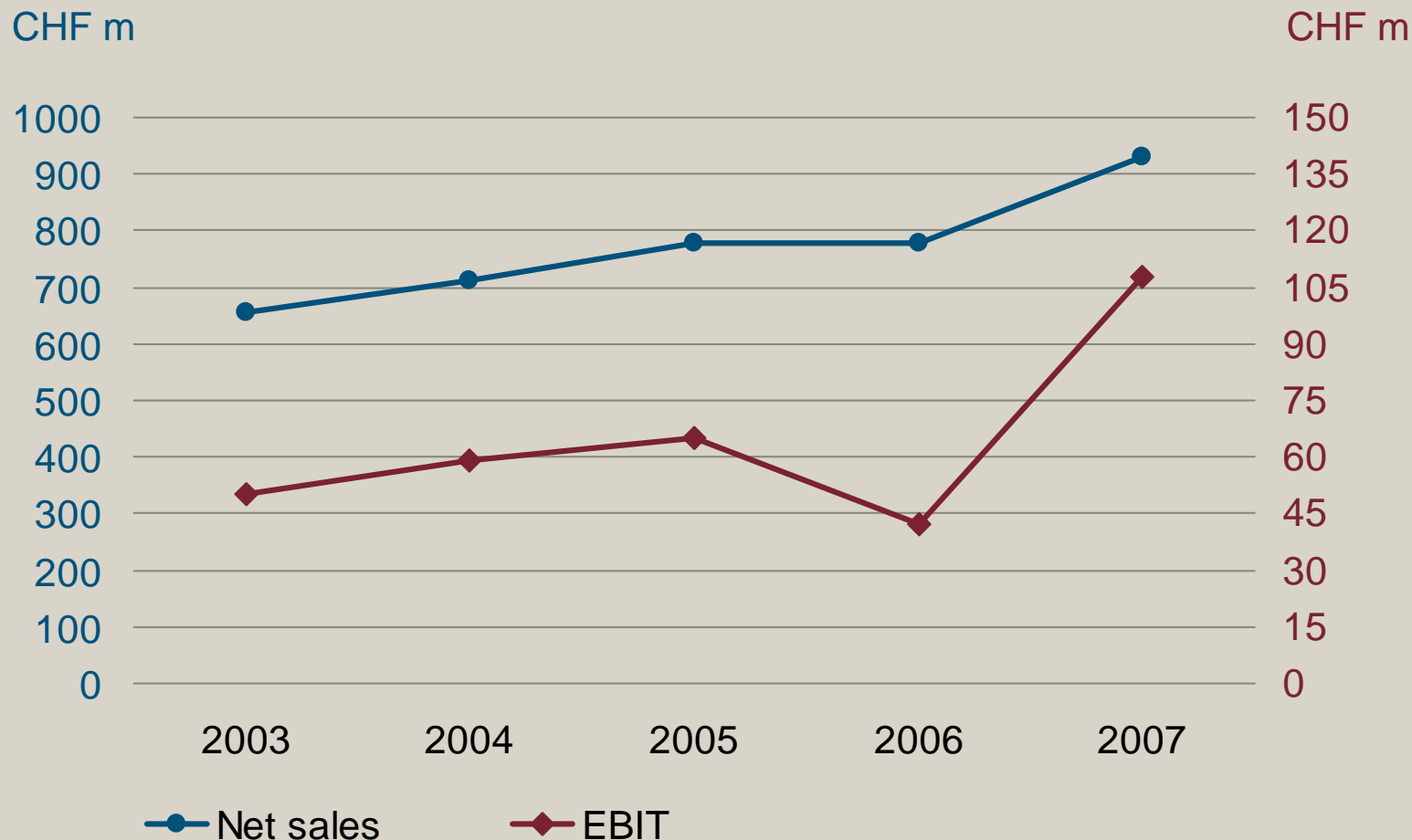


Bedding &amp; feeding



# Kuhn Group

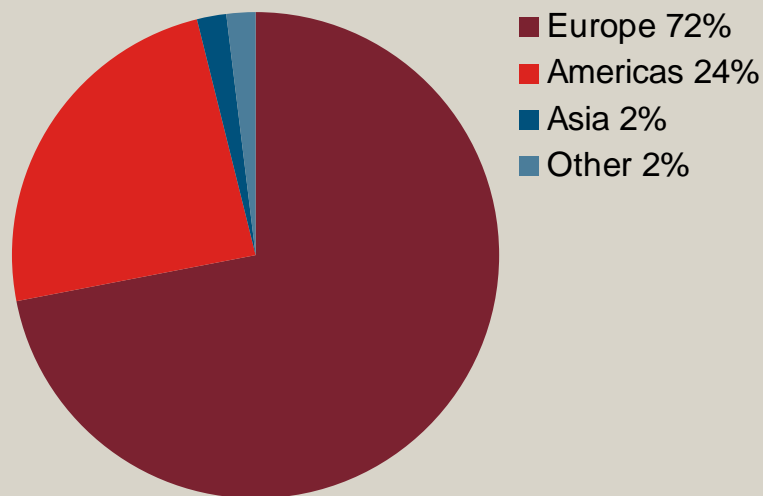
## Net sales and EBIT



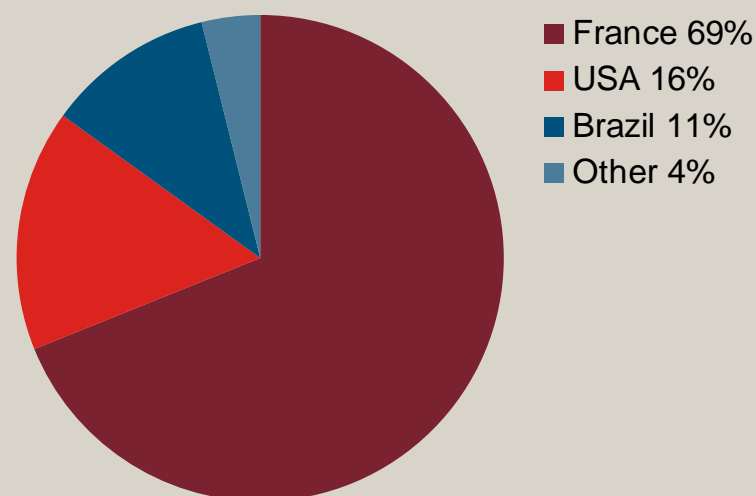
# Kuhn Group

## Net sales and number of employees 2007

Net sales  
CHF 929 m



Number of employees  
2 956 persons



# 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 silage making machinery, soil preparation 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

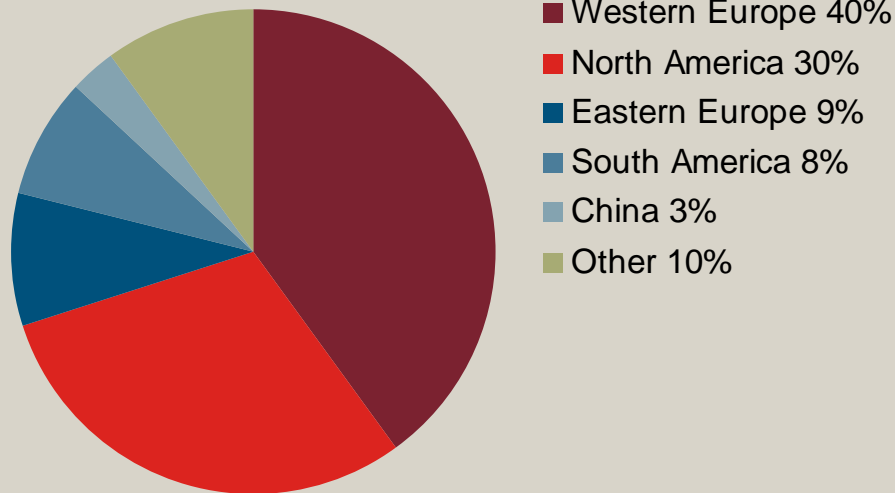
## Complete product range under one brand

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

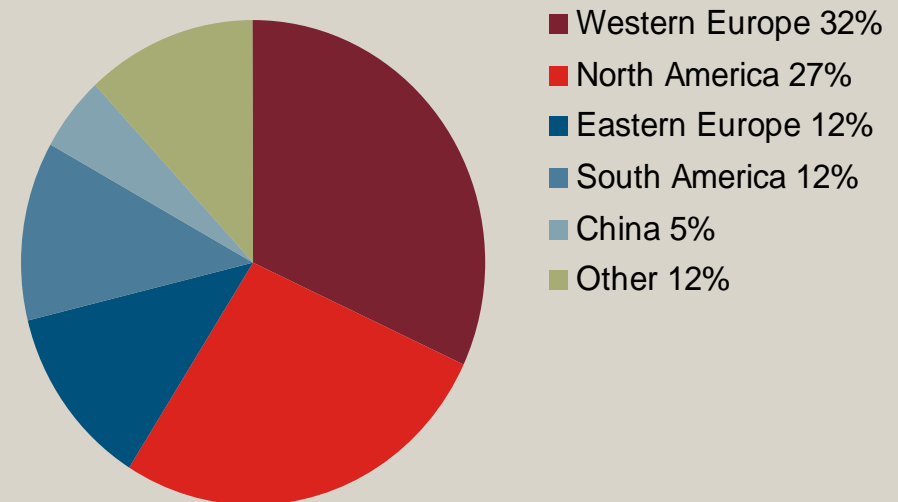
# Kuhn Group

## World market for agricultural machinery

2005  
Total USD 42 billion



2015  
Total USD 45 billion



# Kuhn Group

## 2007 / 2008 highlights

- Continuing agricultural boom with high prices for agricultural products
- Farmers' income remaining at a high level and spurring capital spending
- Continued high, double-digit sales growth
- All geographical markets on an upswing, in particular South America, Eastern Europe and Russia
- New French assembly plant and new US production shop brought on stream on schedule
- Increased internal capacities for further sales growth
- EBIT margin of 10.9% for the first half of 2008

# Kuhn Group Outlook for 2008

- Favourable agricultural environment to continue, driven by
  - increasing food requirements of the growing population
  - rising consumption of meat and dairy products
  - persistent high prices for agricultural products
  - increased bioenergy production
  - stable agricultural subsidies in the EU and USA
- Weakness of the US dollar and British pound against the euro weighing on operating profit
- Sales expected to grow strongly, with further improvement in operating profit

# Bucher Municipal Sweepers and winter maintenance equipment



Compact sweepers



Truck mounted sweepers



Spreaders



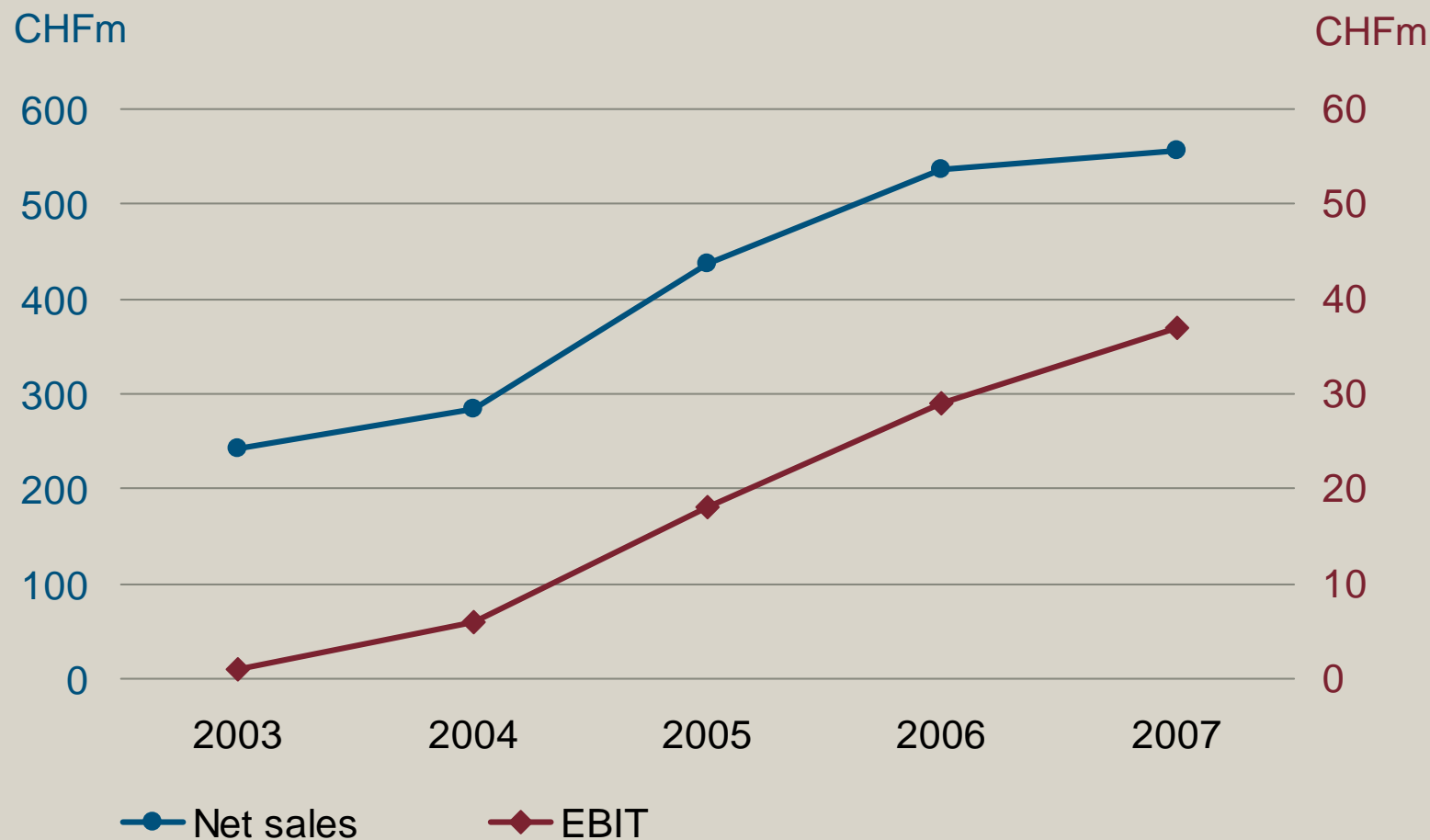
Snow blowers



Refuse collection vehicles



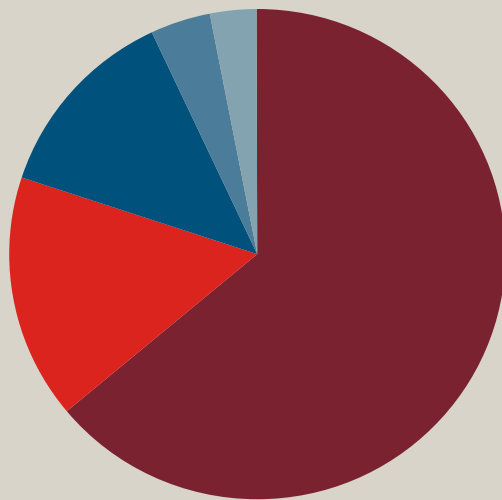
# Bucher Municipal Net sales and EBIT



# Bucher Municipal

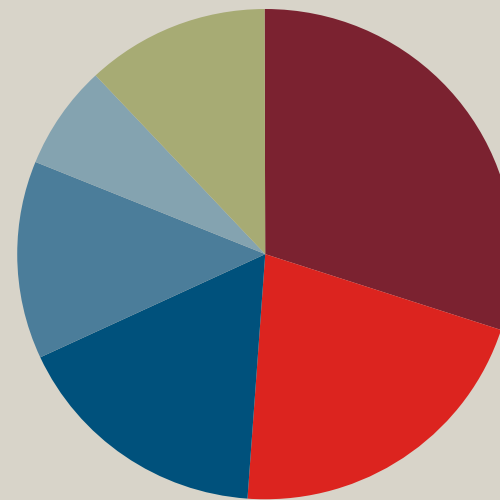
## Net sales and number of employees 2007

Net sales  
CHF 557 m



- Europe 64%
- Switzerland 16%
- Australia 13%
- Asia 4%
- Americas 3%

Number of employees  
1 508 persons



- Great Britain 30%
- Switzerland 21%
- Australia 17%
- Germany 13%
- Italy 7%
- Other 12%

# Bucher Municipal Market position

- Europe's leading manufacturer of compact and truck mounted sweepers, large snow removal equipment for roads and airports
- 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)

# Bucher Municipal Complete product range

Competitors	Sweepers						Airport			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>	SB	SS	RWS	mounted	towed
<b>Bucher (CH)</b>											
<b>Johnston (UK)</b>											
Schmidt (DE)											
Boschung (CH)											
Hako (DE)											
Aebi MFH (CH)											
Faun (DE)											
Elgin (USA)											
Scarab (UK)											
Epoke (DK)											
Acometis (FR)											

SB = snow blowers  
 SS = snow sweepers  
 RWS = runway sweepers

## Bucher Municipal 2007 / 2008 highlights

- Demand stabilised at a high level following the market recovery in 2007
- Position in the Far East strengthened by the major order for 104 sweepers received from Thailand in 2008
- Still high government tax revenues supporting capital spending
- New assembly shop completed in Latvia and new production shop to be ready for operation at the end of 2009
- New generation of sweepers on track, providing economies of scale in purchasing and production
- 2007 EBIT margin above the interim target at 6.6%; new target of 8% set for the next 3 years

# Bucher Municipal Outlook for 2008

- Stable market environment expected to continue
  - demand stable at a high level in the principal markets
  - more large contract awards expected
  - still competitive arena
- Expansion of winter maintenance business by bundling the products offered by Giletta and Gmeiner
- Continuation of the cost leadership strategy
  - utilising joint purchasing potential
  - strengthening the Bucher Schörling and Johnston distribution channels
  - expanding the Latvian assembly plant to step up capacity
- Sales and operating profit expected to increase slightly

# Bucher Process

## Wine and fruit juice production equipment



Destemmers



Pneumatic tank presses



CF filtration systems



Reverse osmosis systems



Mills



Hydraulic presses



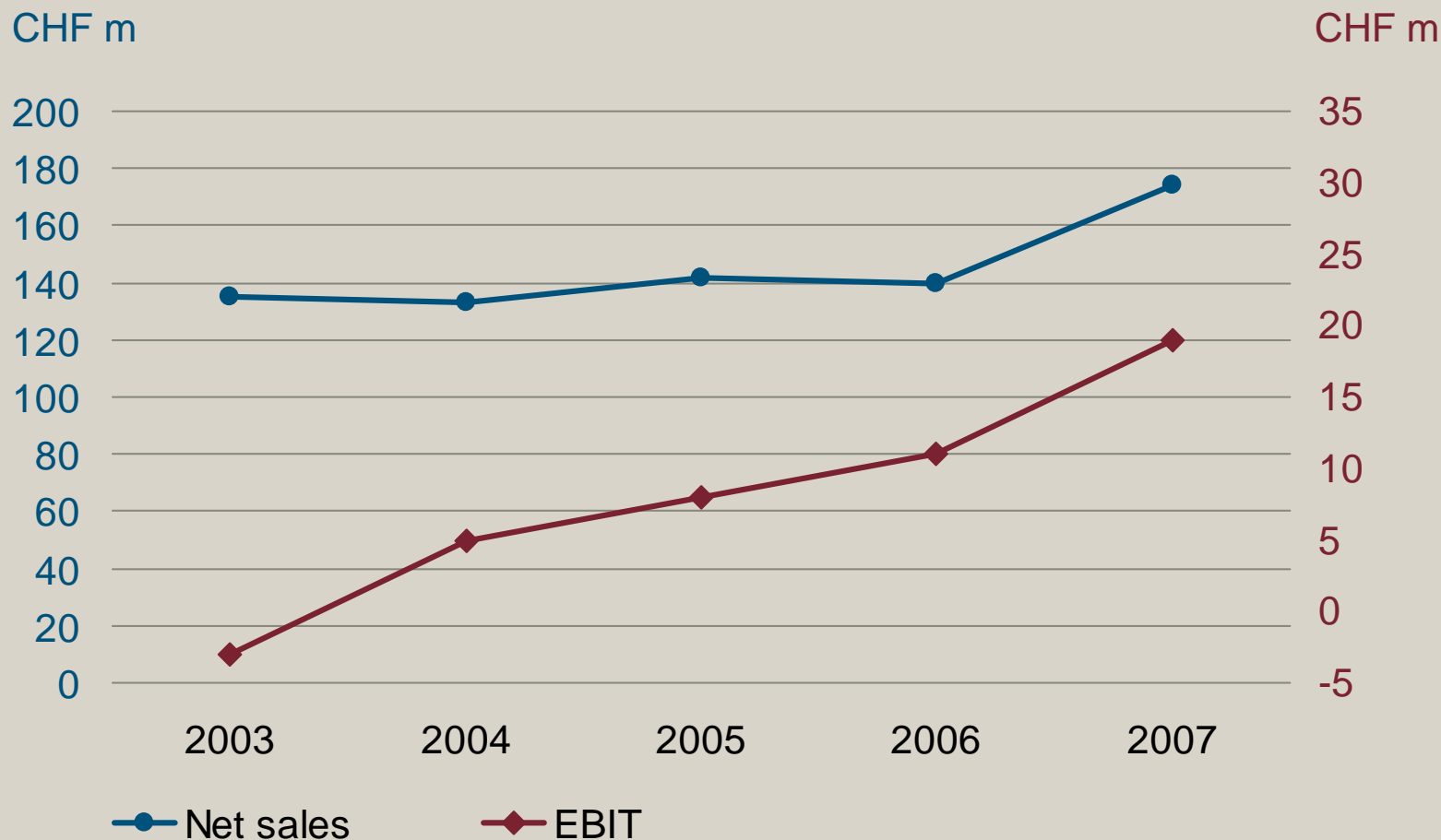
Ultrafiltration systems



Evaporators

# Bucher Process

## Net sales and EBIT

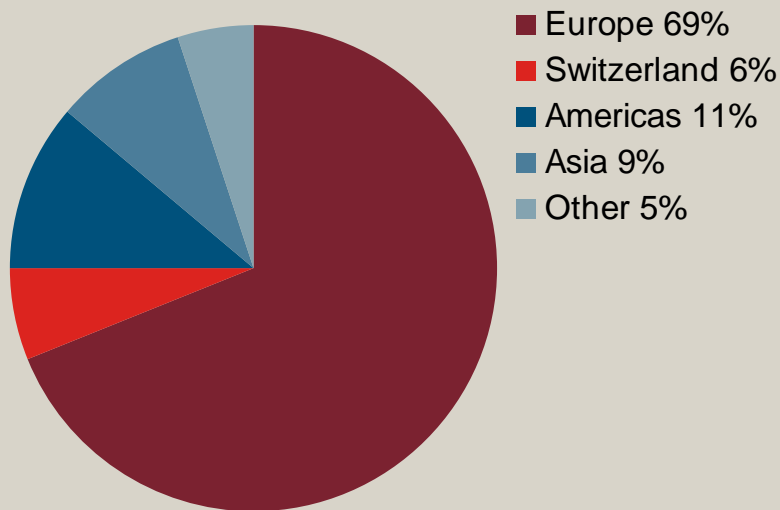




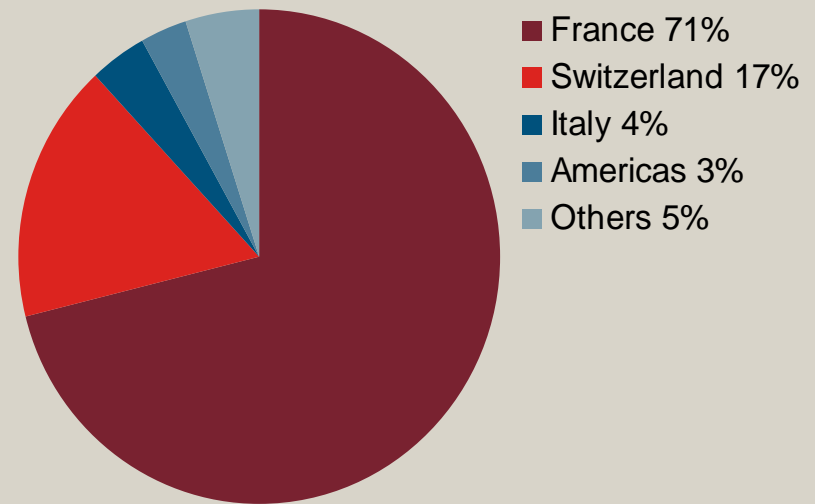
# Bucher Process

## Net sales and number of employees 2007

Net sales  
CHF 174 m



Number of employees  
514 persons



# Bucher Process

## Market position

- World market leader in fruit, berry and vegetable juice processing equipment
- World market leader in wine making equipment
- Market share: 35% to 50% worldwide
- Development of a new business segment for municipal sludge dewatering
- Main competitors: Flottweg (DE), GEA (DE), Unipectin (CH) and Filtrox (CH) in fruit juice equipment; Pera (FR), Della Toffola (IT), Diemme (IT), Velo (IT) and other Italian and German manufacturers in wine making equipment

# Bucher Process

## Leading worldwide position

### Wine production

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

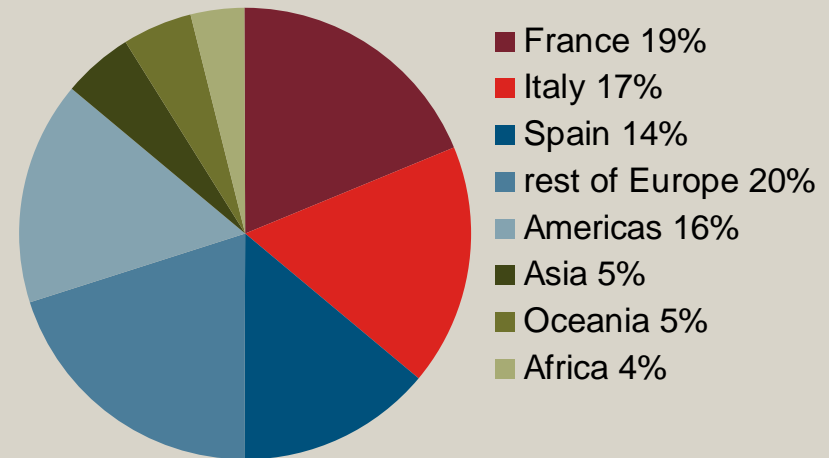
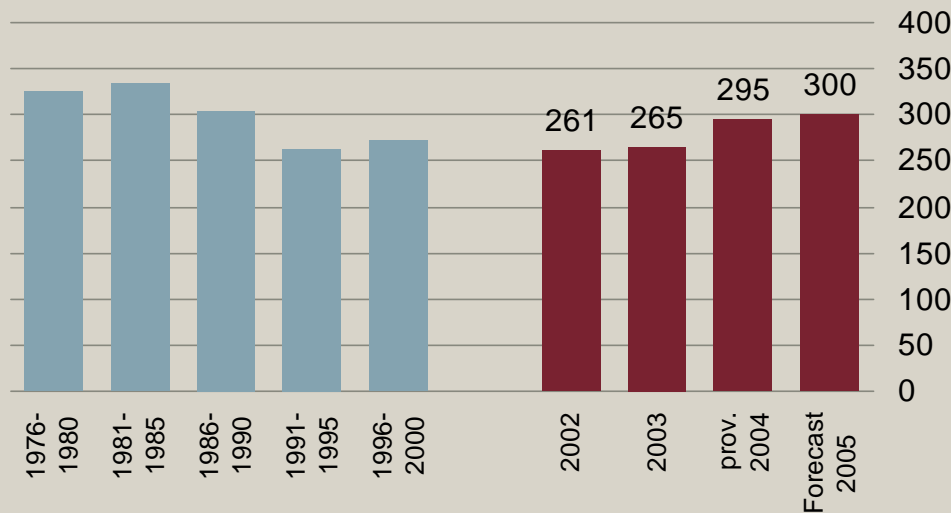
### Juice production

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

# Bucher Process

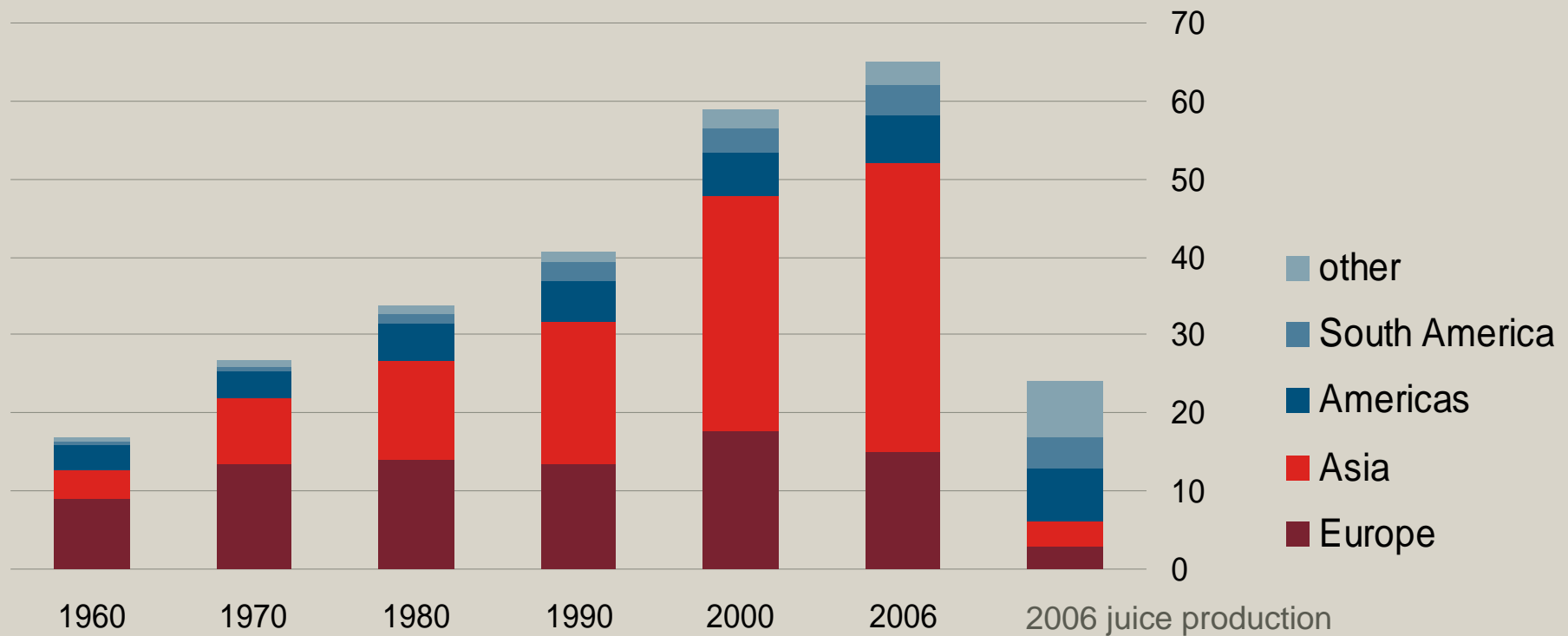
## World production of wine

million hl



# Bucher Process

## World apple production 1960 - 2006



Juice production: approx. 70% concentrate, 20% fresh juice, 10% cider

# Bucher Process

## 2007 / 2008 highlights

- Buoyant market conditions continuing
  - recovery of the French market for wine making equipment
  - wine consumption exceeded wine production in 2007 for the first time in a long time
  - higher prices for quality wines, apples and apple juice concentrate
- 2008: smooth deliveries of equipment to produce apple juice concentrate under the major 2007 orders from the UK and China
- Good demand for the innovative new products successfully launched on the market
- 2008: contract from Sweden for sludge dewatering equipment with options for 2009
- EBIT margin of 10.9% for 2007

## Bucher Process Outlook for 2008

- Demand expected to remain strong due to stable prices of wine, apples and apple juice concentrate
- Sales and operating profit boosted by smooth deliveries under the major orders from the UK and China
- New contracts from Sweden for sludge dewatering equipment give added momentum for market launch
- 2008 EBIT margin should beat the record 2007 level
- Sales and operating profit expected to increase significantly

# Bucher Hydraulics

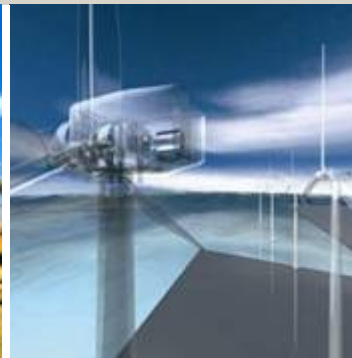
## Custom drive solutions



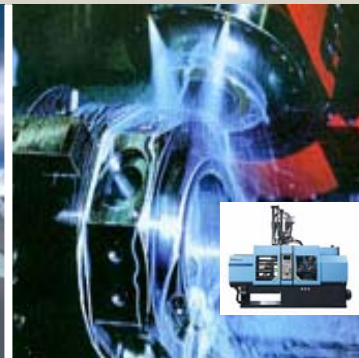
Agricultural  
machinery



Mining / tunnelling



Wind energy



Mechanical  
engineering



Municipal  
equipment



Construction  
equipment



Materials handling



Elevator hydraulics



Marine / offshore

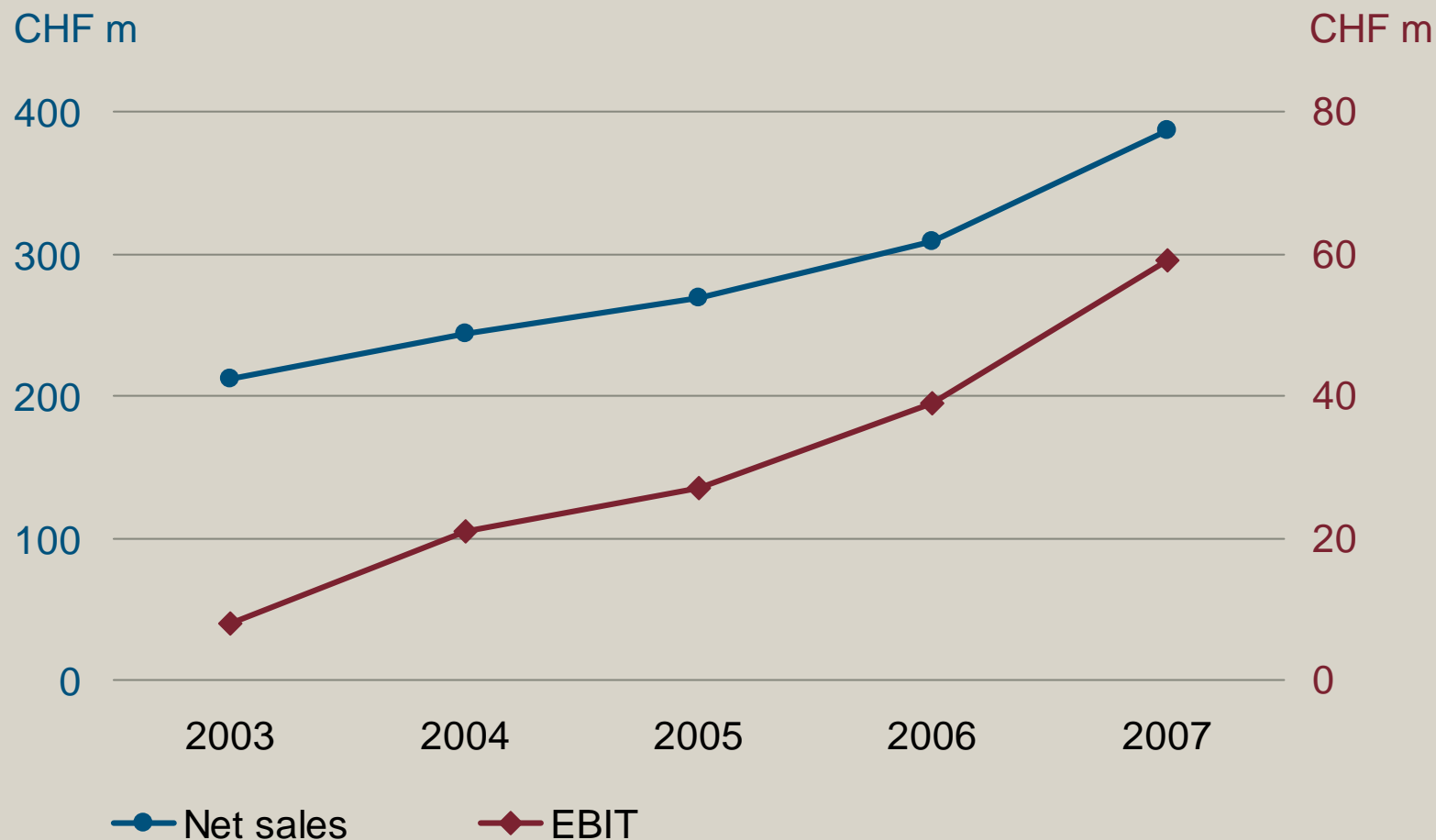


Power engineering



# Bucher Hydraulics

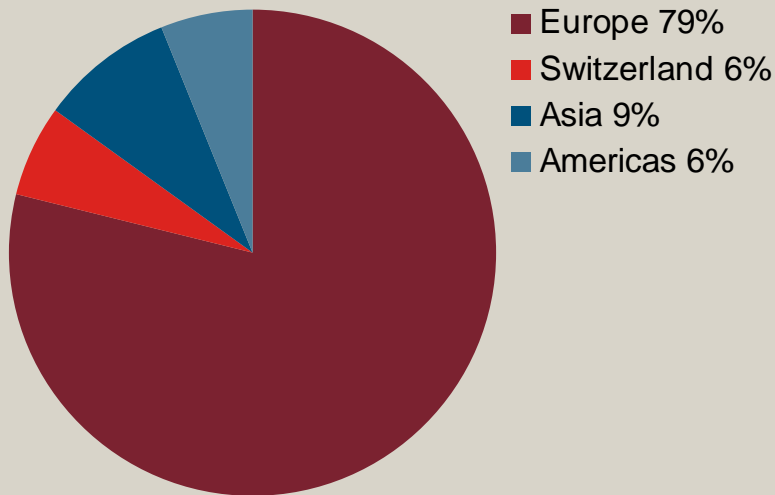
## Net sales and EBIT



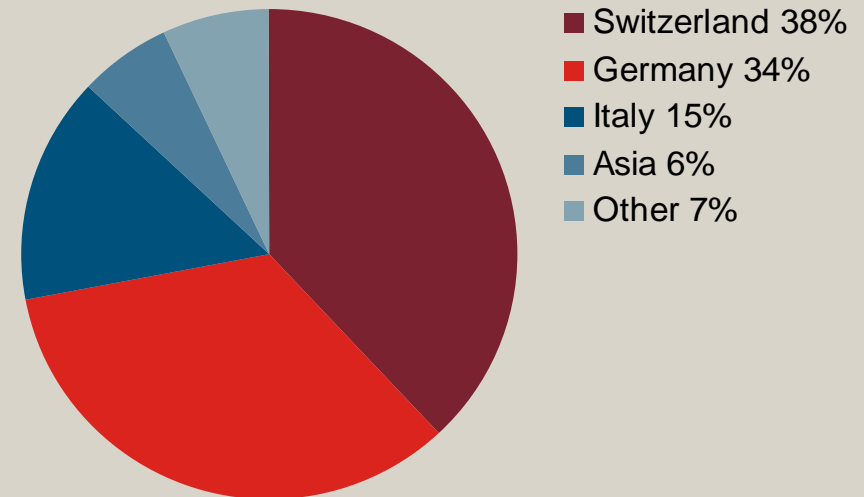
# Bucher Hydraulics

## Net sales and number of employees 2007

Net sales  
CHF 387 m



Number of employees  
1 259 persons



# Bucher Hydraulics

## Market position

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

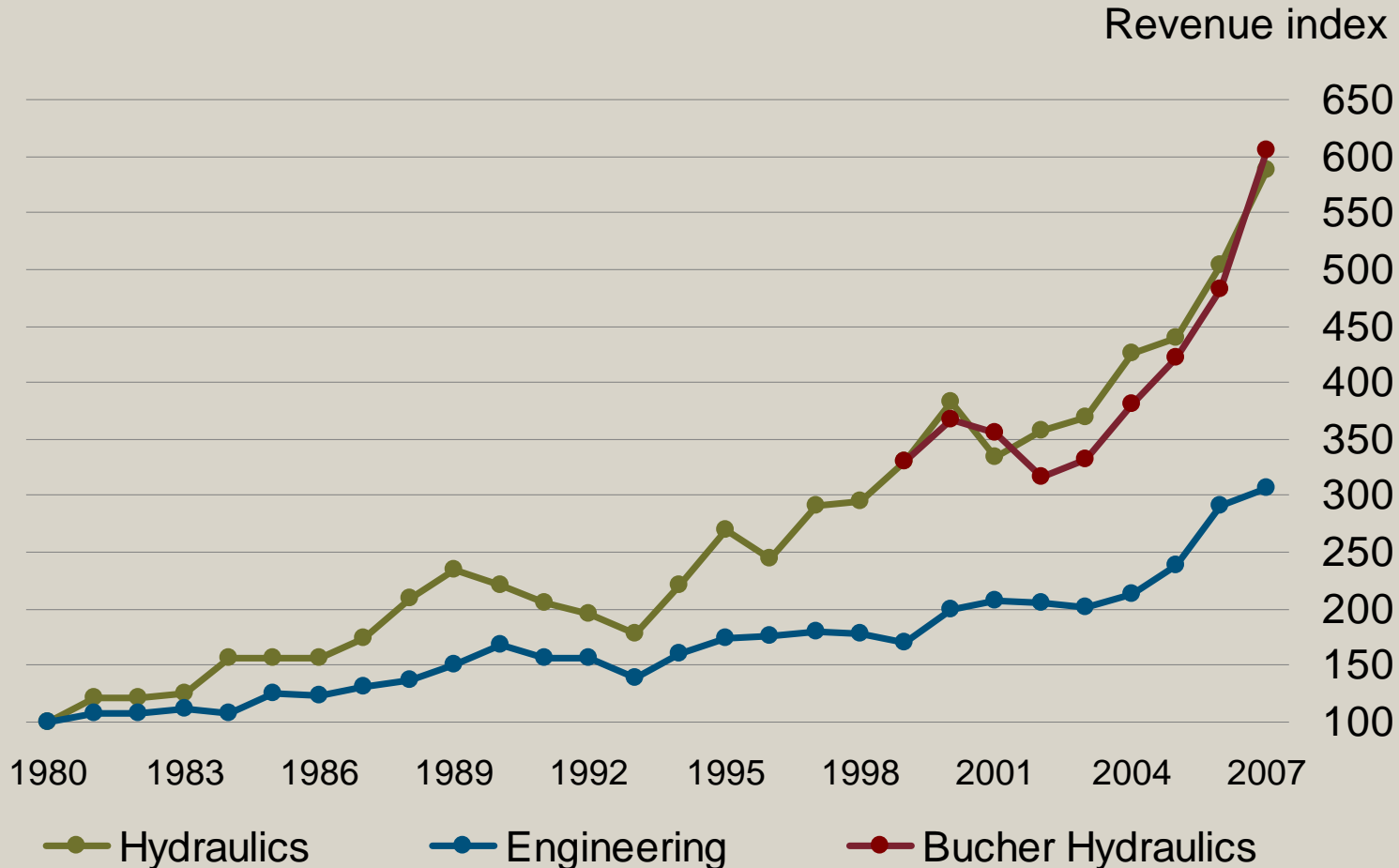
# Bucher Hydraulics

## Leading european position

Competitors	Pumps			Valves					Motors & Cylinders			Accessoires				Power Packs		
	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)																		
Haldex (SE)																		
Husco (USA)																		
Sun Hydraulics (USA)																		
Hydraforce (USA)																		

# Bucher Hydraulics

## Growth hydraulics and engineering



Source: VDMA

# Bucher Hydraulics

## 2007 / 2008 highlights

- Very high demand in all key market segments
- Real boom in power engineering in China and in safety applications for mobile cranes
- Capacity limits partly exceeded; targeted capacity expansion, providing room for further growth
- High production flexibility, sometimes in provisional buildings
- Longer delivery times unavoidable in a few cases
- Strategic move to be an international player with the acquisition of Monarch Hydraulics, Grand Rapids, USA, on 1 January 2008
- Integration of Monarch Hydraulics and expansion of US platform

# Bucher Hydraulics Outlook for 2008

- No change in the high demand, except in the USA, during the first half of the year
- Growth rate expected to be lower due to the higher base effect and economic conditions, but still in double digits
- Expansion of application engineering and technical sales network
- New production shops in Frutigen (in operation) and Neuheim (autumn 2009) and selective automation in other plants
- Development and expansion of Bucher Hydraulics North America, incl. transfer of production from Europe to the USA
- Another double-digit increase in sales and higher operating profit expected

# Emhart Glass Machinery glass container production



Gob forming



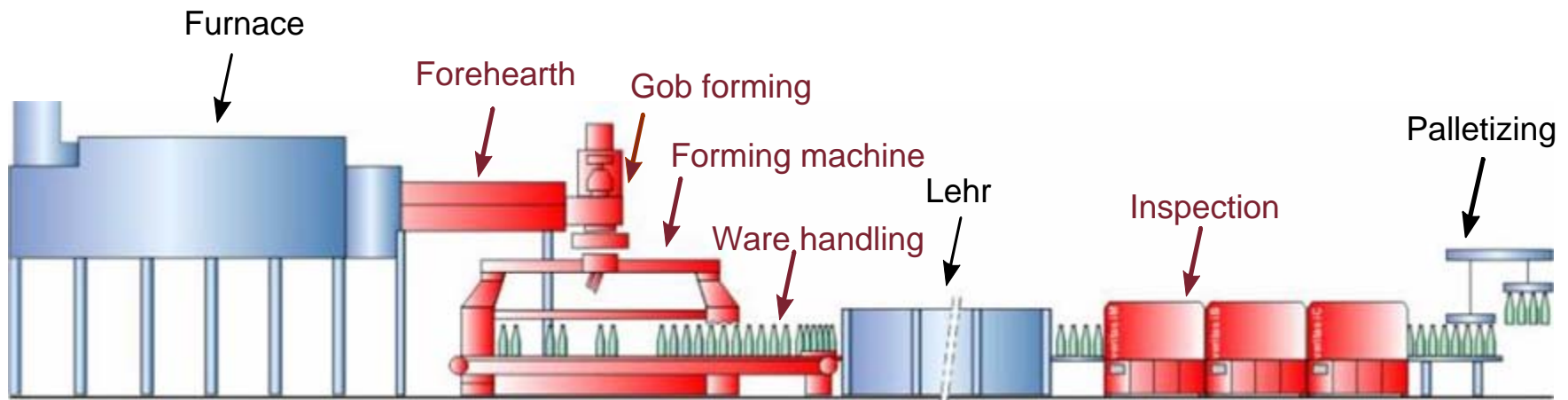
Glas forming machine



Ware handling



Inspection

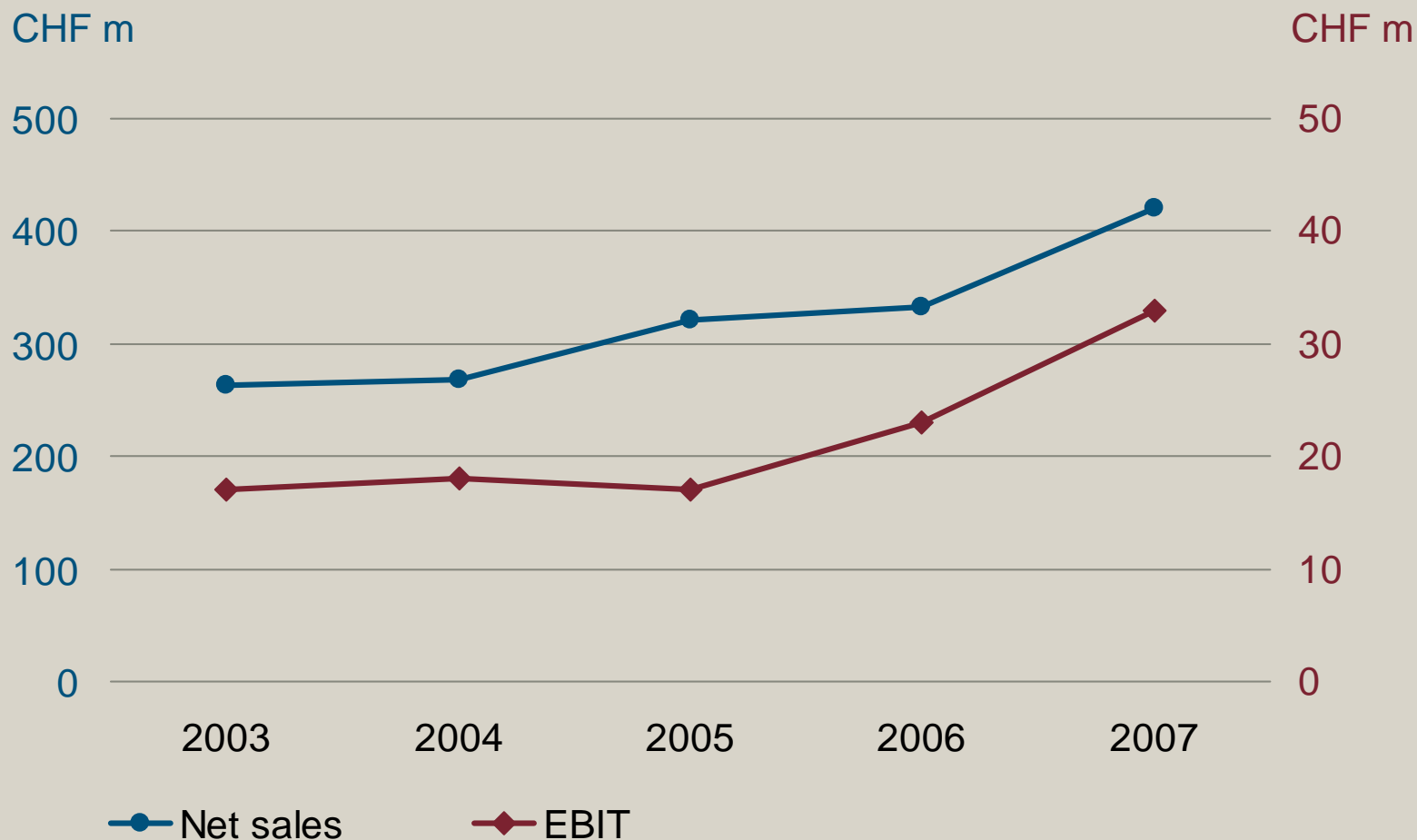


Glass container manufacturing process



# Emhart Glass

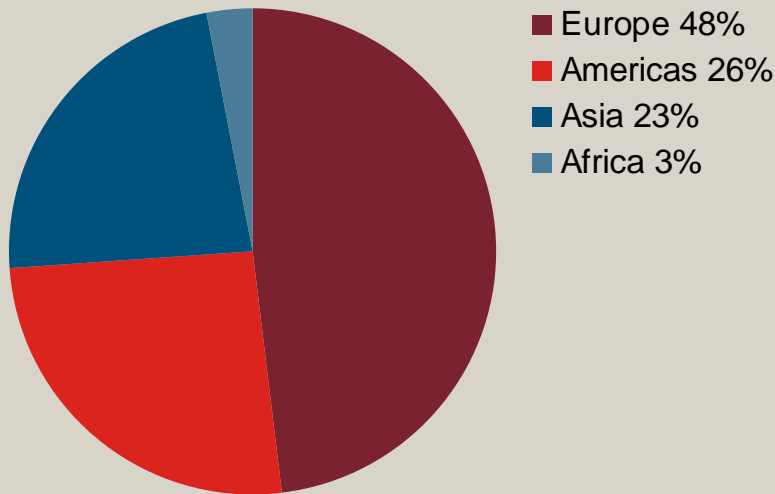
## Net sales and EBIT



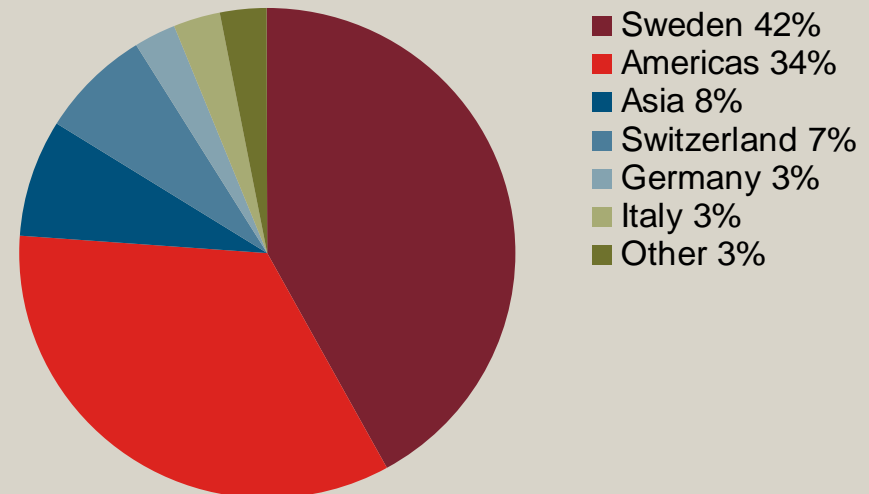
# Emhart Glass

## Net sales by and number of employees 2007

Net sales  
CHF 420 m



Number of employees  
1 009 persons



# Emhart Glass

## Market position

- World's leading supplier of machinery, equipment and services for glass container manufacturers
- Market share: 45% 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

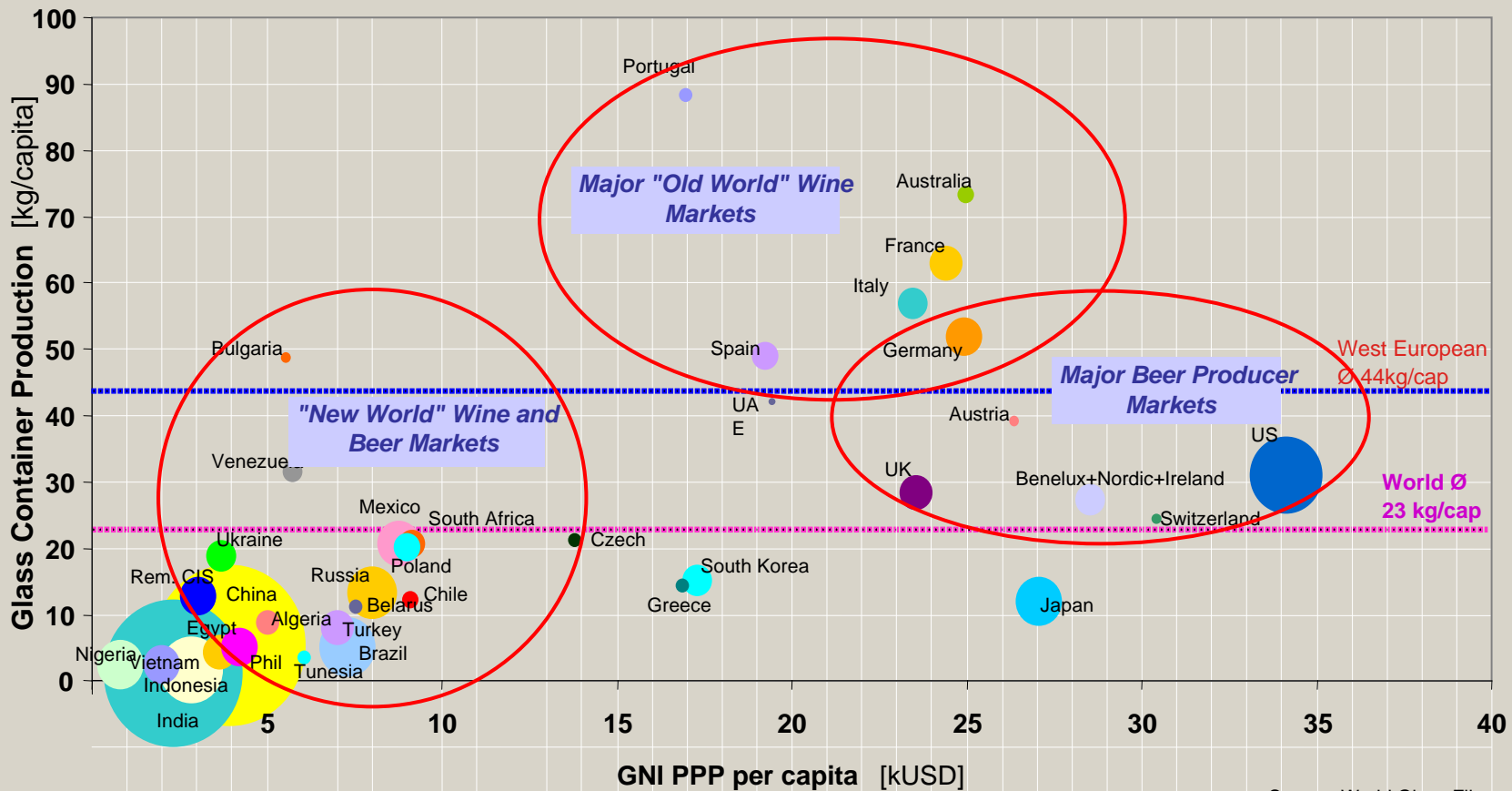
## Worldwide leading manufacturer

Competitors	Hot End											Cold End			
	Batch charger	Melter (Furnace)	Fore-hearth	Feeder & shear	IS forming machine						Ware handling	Lehr	In-spection	Palle-tizing	Wrap-ping
					NIS	AIS	IS high tech	IS stan-dard	IS low tech						
<b>Emhart Glass</b>															
Bottero (IT)															
BDF (IT)															
O-I (USA)															
Sklostroj (CZ)															
GPS (DE)															
Heye (DE)															
Sorg (DE)															
Sheppee (UK)															
China competitors															
MSC (FR)															
SGCC (FR)															
Symplex (DE)															

# Emhart Glass

## Glass consumption per capita

The high correlation between GNI and glass consumption fosters growth in Eastern Europe & Asia.



Source: World Glass File, various

## Emhart Glass

### 2007 / 2008 highlights

- Continuing shortage of glass containers worldwide
- Rising prices for high quality glass containers
- Customers investing heavily in modernisation and new facilities
- Inspection machines benefit from the good integration of ICS / Inex, USA
- Very high capacity utilisation despite 30% increase in Swedish assembly capacity since the beginning of 2008
- New assembly plant being set up in Malaysia to start operating at the end of the 1st quarter of 2009
- R&D centre in the USA operating since the 4th quarter of 2007; very positive responses from customers

# Emhart Glass

## R&D centre in 2007

- CHF 22 million investment in technology leadership
  - Optimisation of glass container manufacturing process
  - Acceleration of product time-to-market with in-house testing facility
  - Better and faster verification of tempered glass project
  - Capability to perform client tests
  - Additional service offering
- Equipment specification
  - Complete glass line with a 40 tpd glass furnace
  - Latest generation of Emhart Glass machinery
  - FlexIS control system and enhanced measurement technology
  - In operation since Q4 2007

# Emhart Glass

## Outlook for 2008

- Market conditions remaining good at a very high level
- Concentration of inspection machine production in Elmira, NJ and sales and engineering in Clearwater, FL
- Expansion of low-cost Malaysian assembly plant on schedule
- New standard glass forming machine for Eastern Europe and Asia to fuel growth in sales
- R&D centre eliciting very positive responses from customers
  - improvement of the entire glass forming process
  - tempered glass tests throughout the year
  - customer trials
- Sales expected to increase slightly, with continued improvement in operating profit



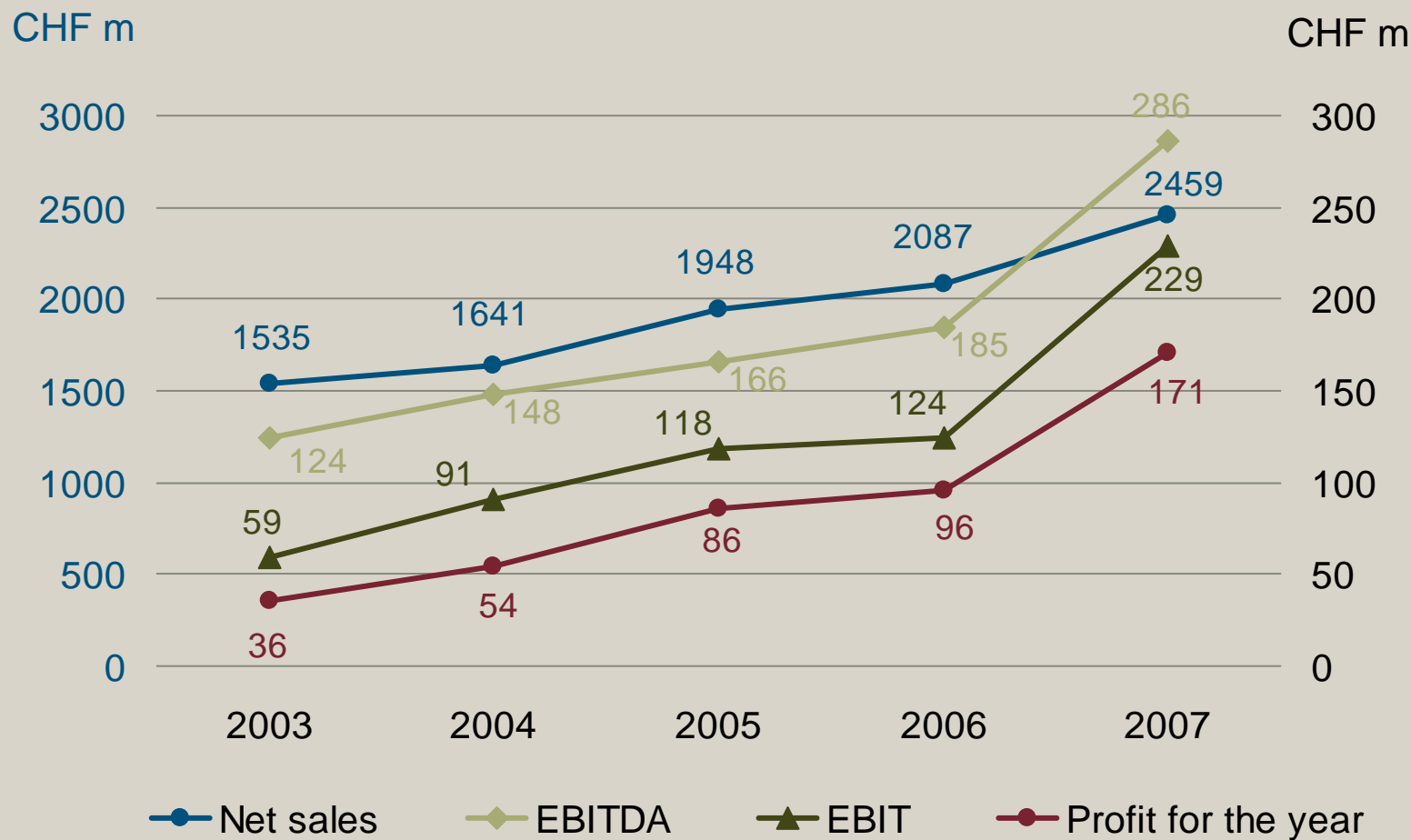
## Group's short- to medium-term strategy

- Strengthening the existing five divisions by gearing measures towards sustained achievement of group targets
- Concentrating on improving operational efficiency
  - Growth in sales and profit
  - EBIT margin as the key indicator of operating performance
  - RONOA after tax as the most important financial indicator
- Investigating selective acquisitions to reinforce the existing divisions
- Maintaining a solid balance sheet and adequate liquidity to allow rapid action

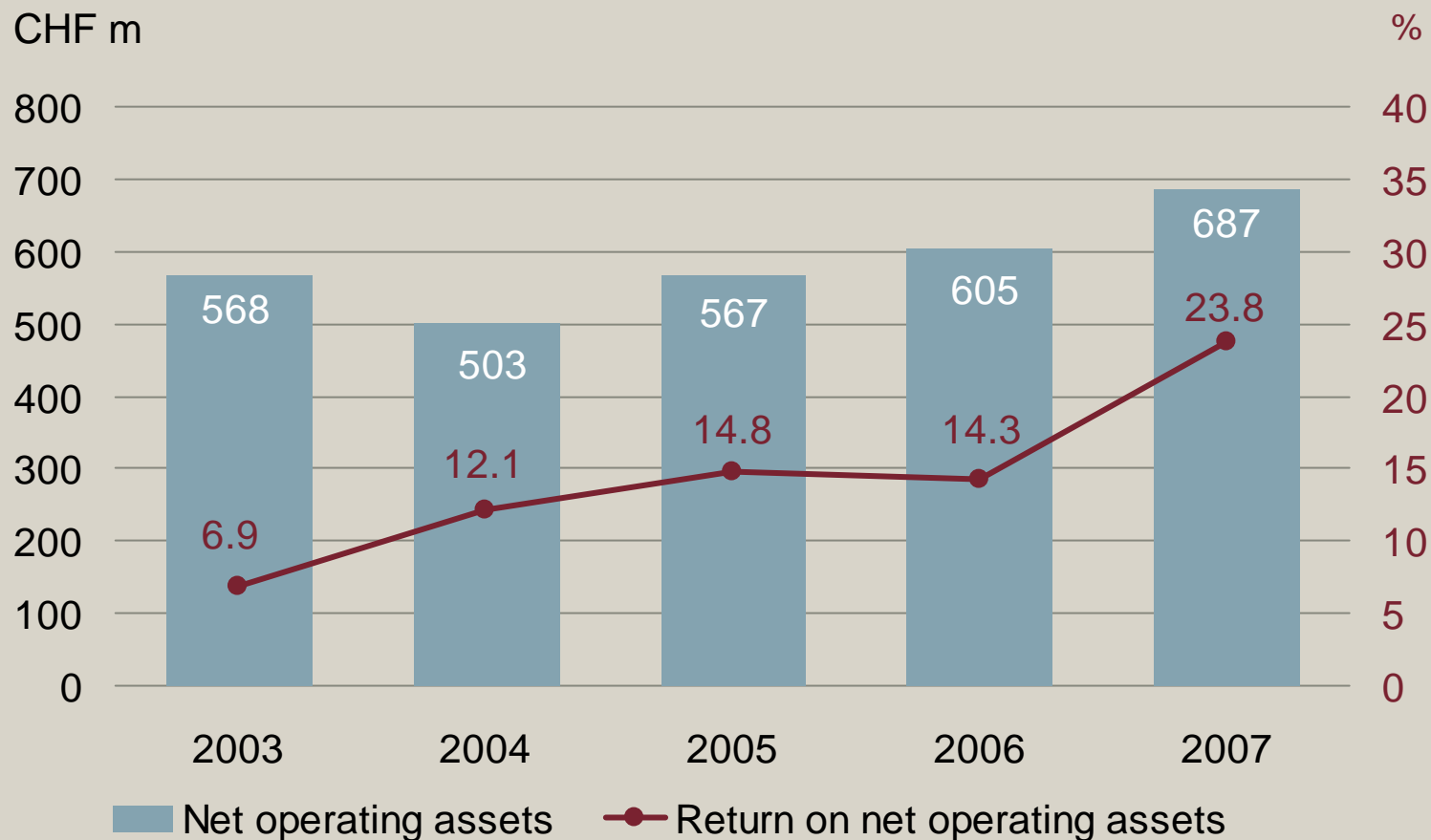
## Group outlook for 2008

- High growth to continue
  - favourable prospects in the agricultural market
  - municipal equipment stable at a high level
  - buoyant situation in wine and fruit juice production equipment, also driven by the major orders from the UK and China
  - slowdown in the extremely high growth in hydraulic components
  - no slowdown in the boom for glass container manufacturing equipment
- Financial crisis and turbulent currency markets weigh on outlook
- Sales and operating profit expected to increase significantly again, with improvement in profit for the year

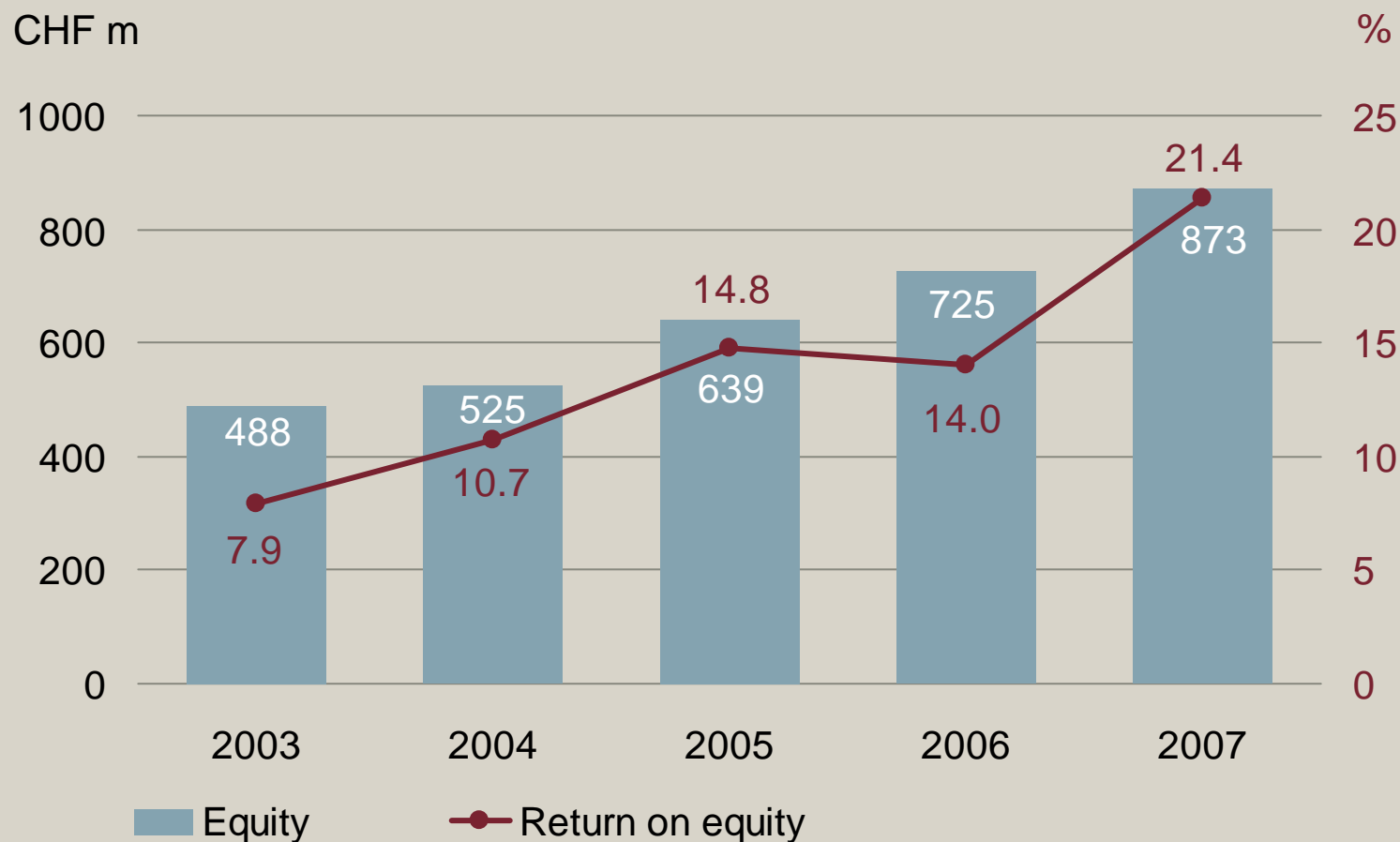
## Net sales and results



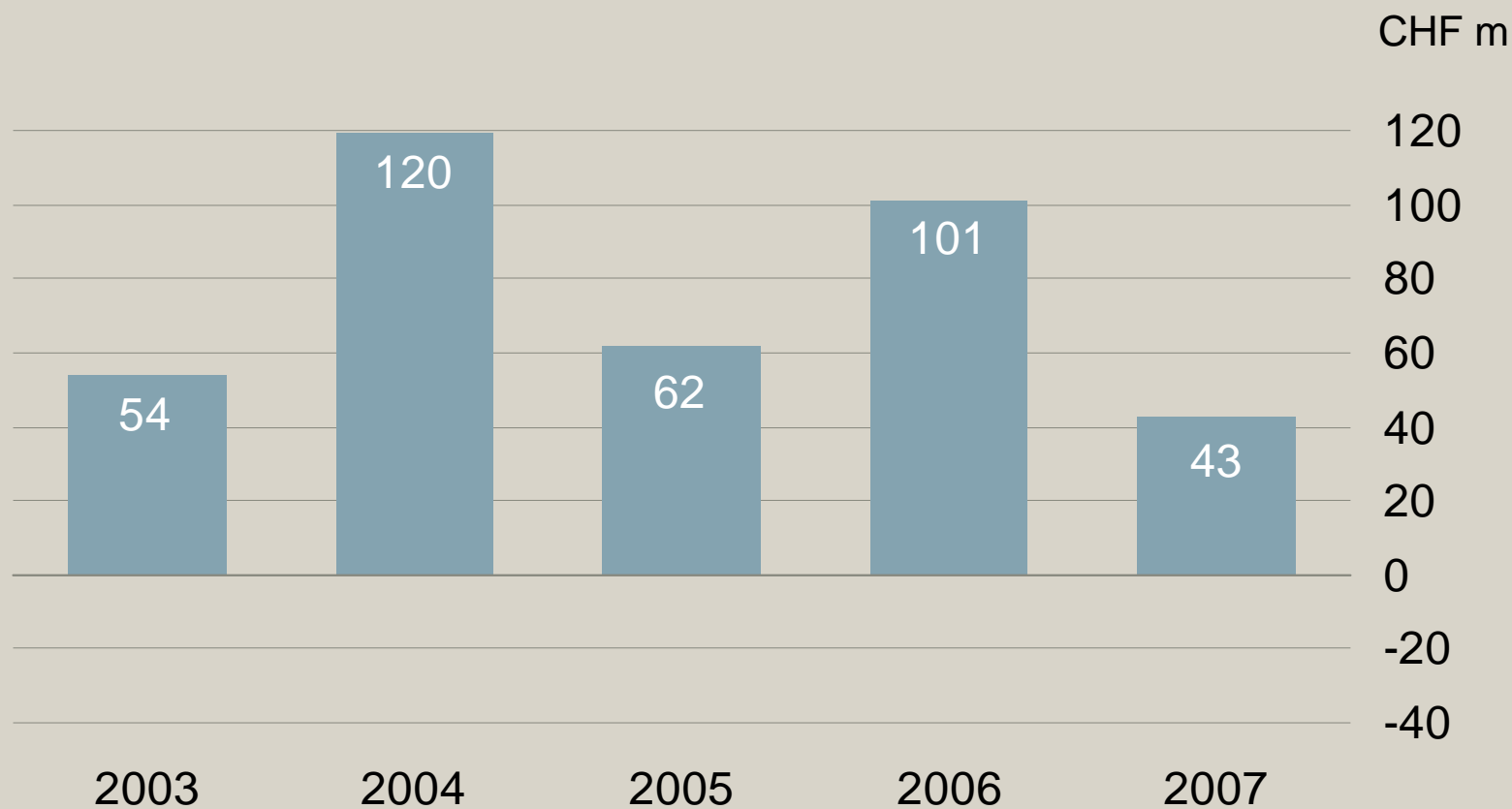
# Net operating assets (NOA) and after-tax return on net operating assets (RONOA)



## Equity and return on equity (ROE)

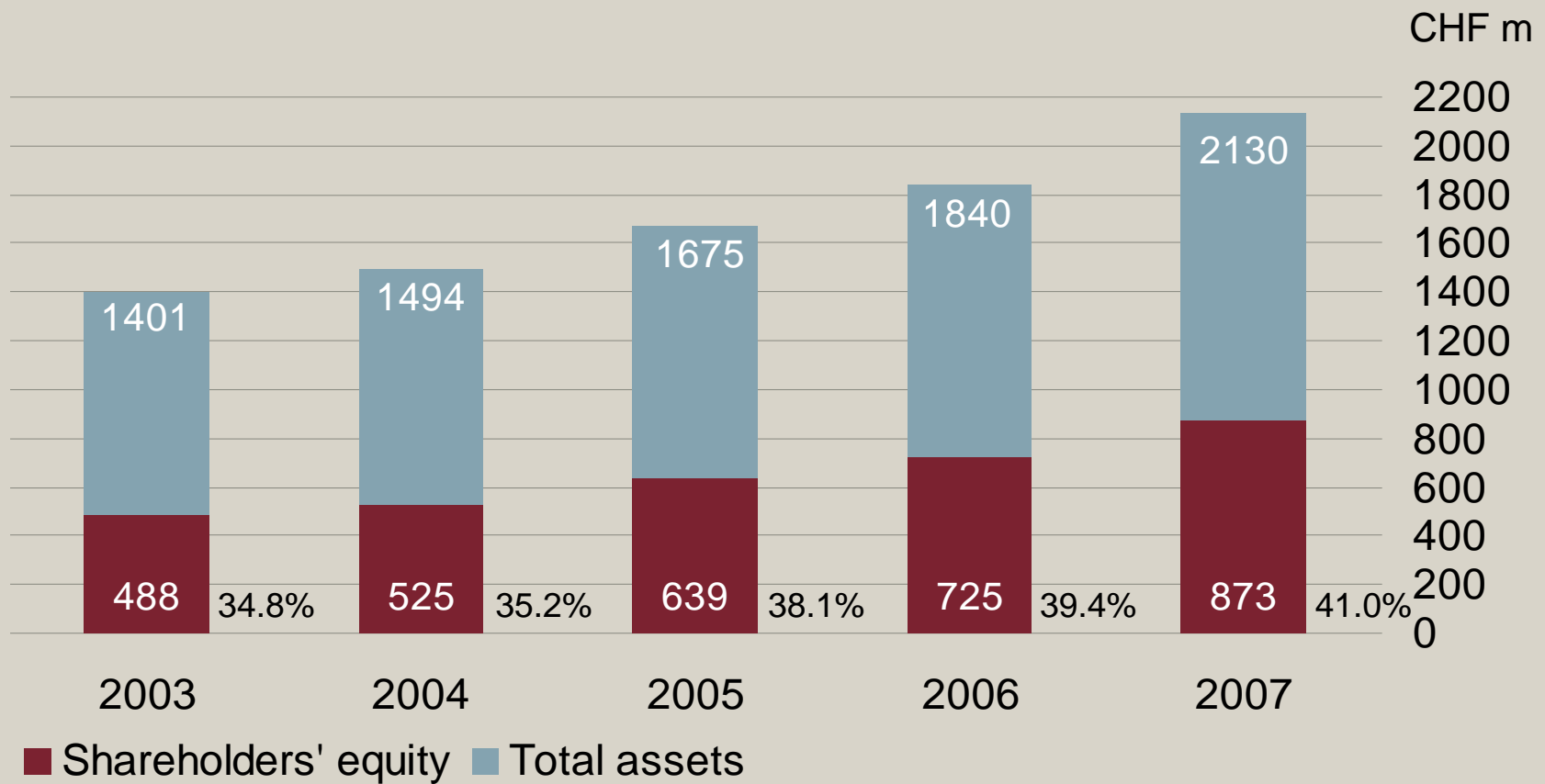


## Operating free cash flow

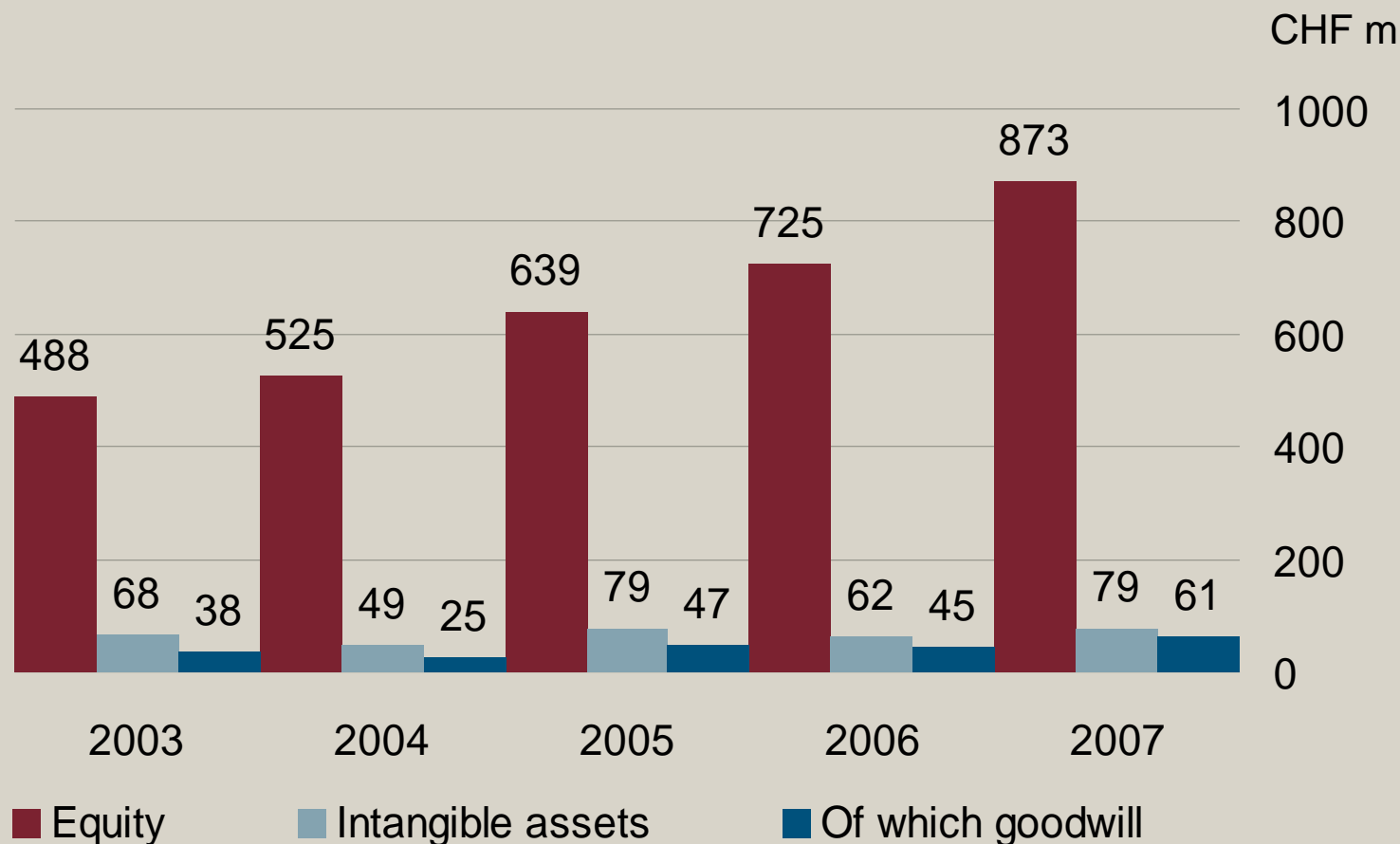




## Equity and total assets

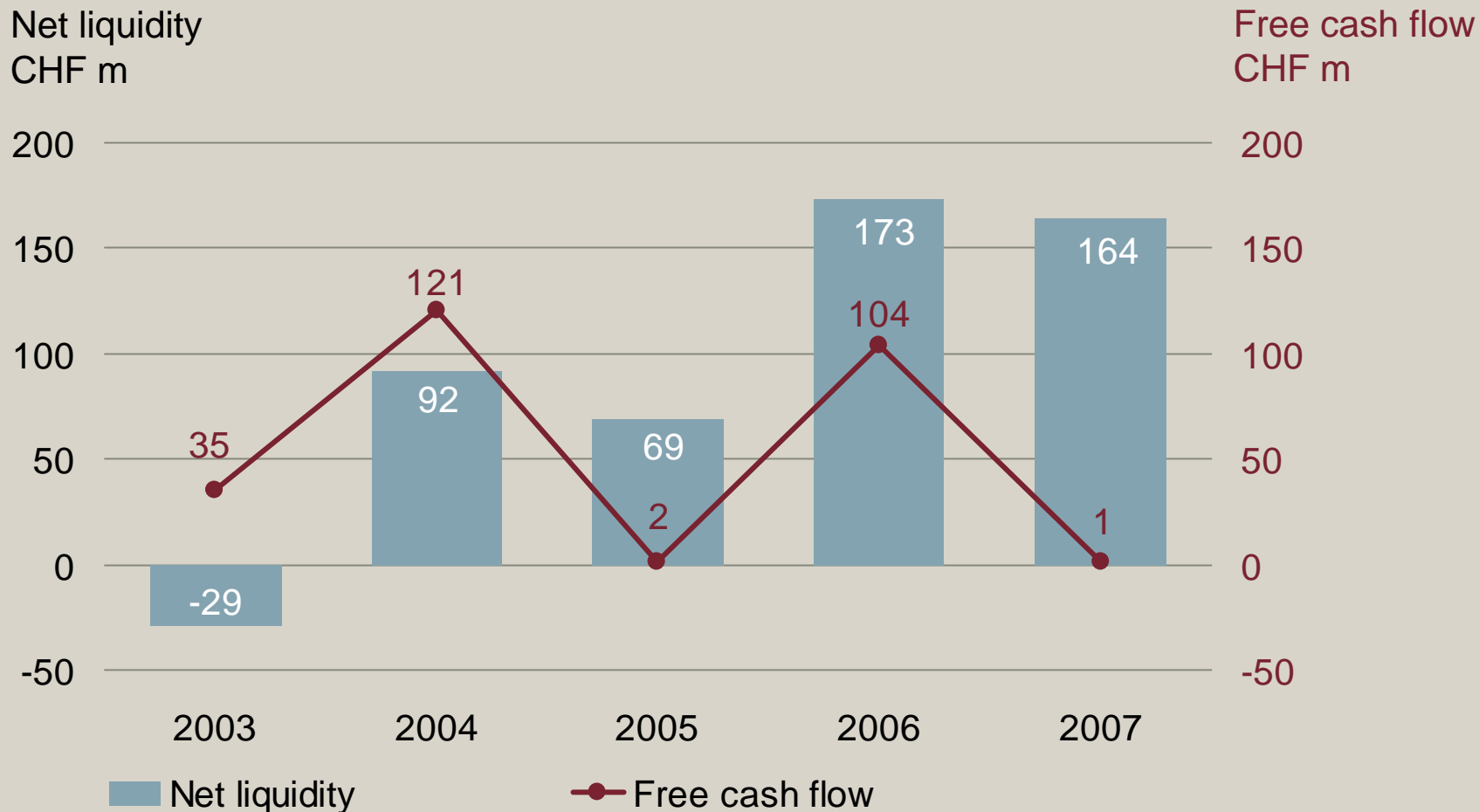


# Equity / intangible assets





# Net liquidity and free cash flow



## Market capitalisation and book equity

