

# 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



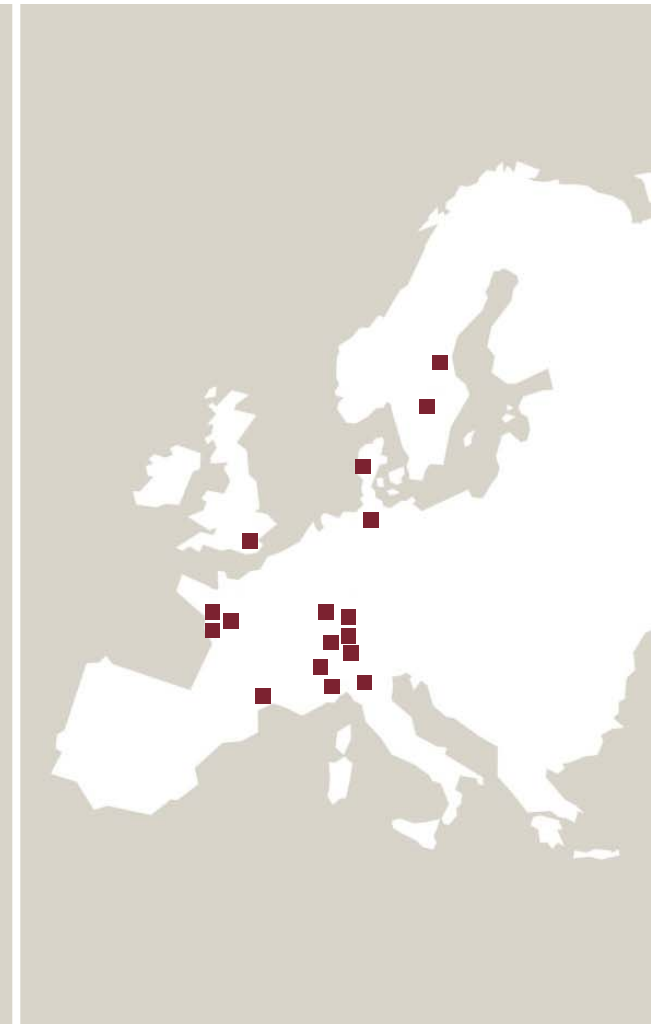
### Emhart Glass

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



## Group and division earnings targets

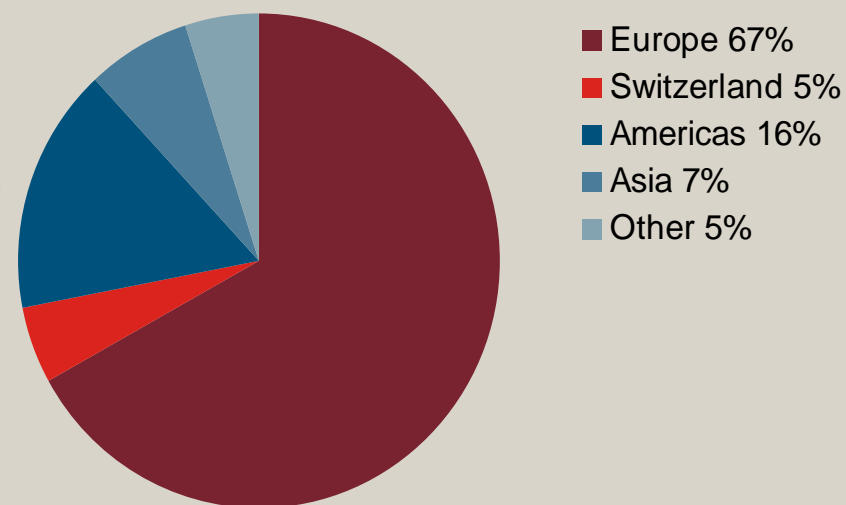
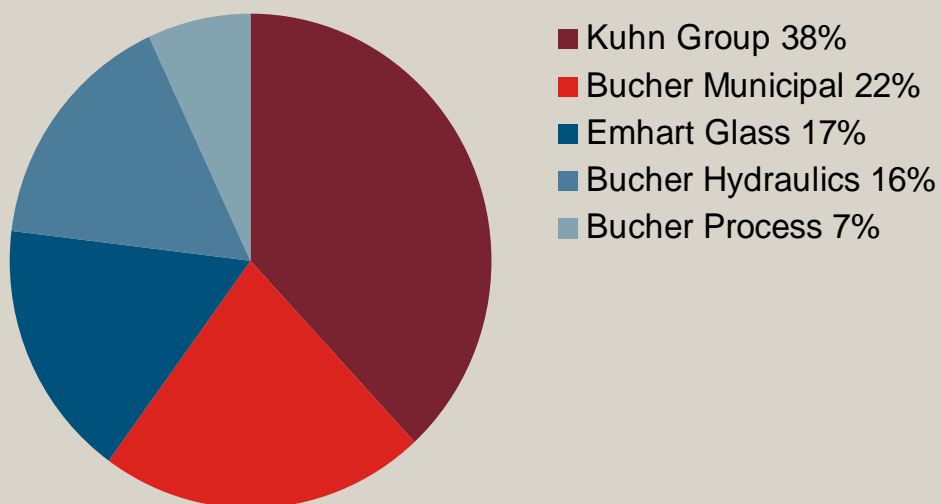
| EBIT margin in %         | Targets  | 2007       | 2006       | 2005       | 2004       | 2003       |
|--------------------------|----------|------------|------------|------------|------------|------------|
| Kuhn Group               | 11       | 11.6       | 5.3        | 8.4        | 8.3        | 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> | <b>9.3</b> | <b>5.9</b> | <b>6.0</b> | <b>5.6</b> | <b>3.8</b> |

## Group and divisions

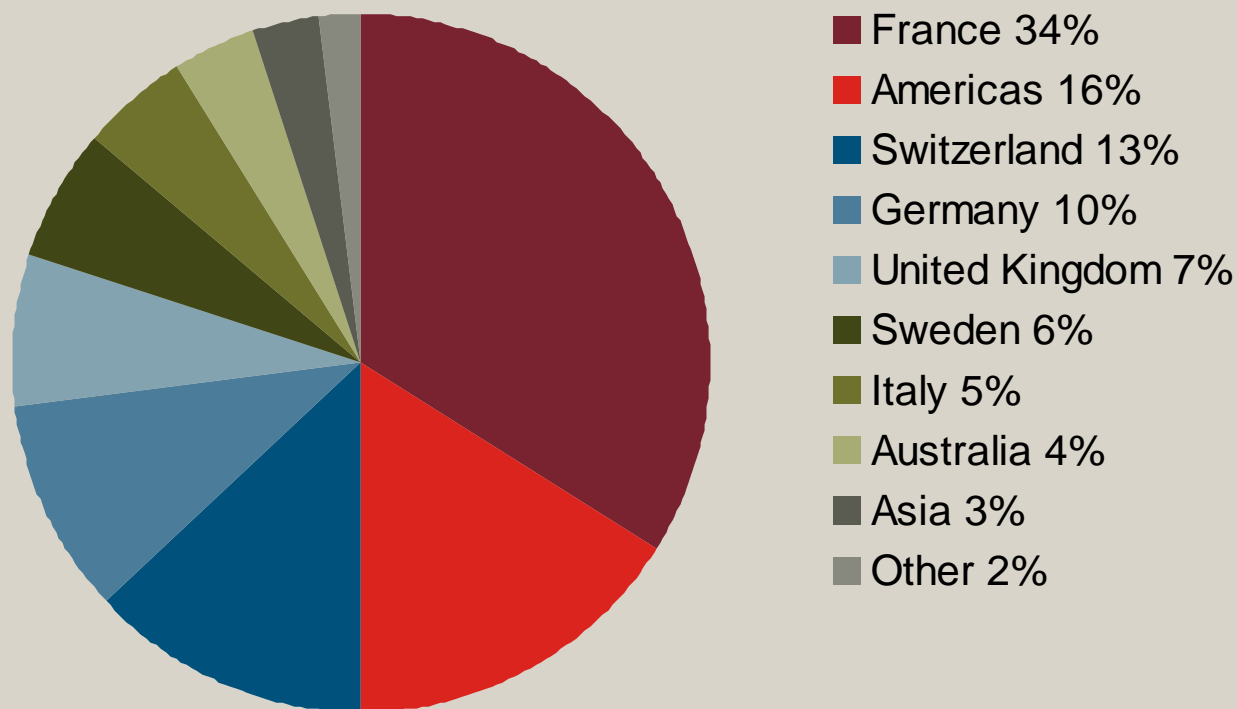
|                 |     |      |      |      |      |     |
|-----------------|-----|------|------|------|------|-----|
| RONOA after tax | >16 | 23.8 | 14.3 | 14.8 | 12.1 | 6.9 |
|-----------------|-----|------|------|------|------|-----|

# Net sales by divisions and regions 2007

CHF 2 459 m

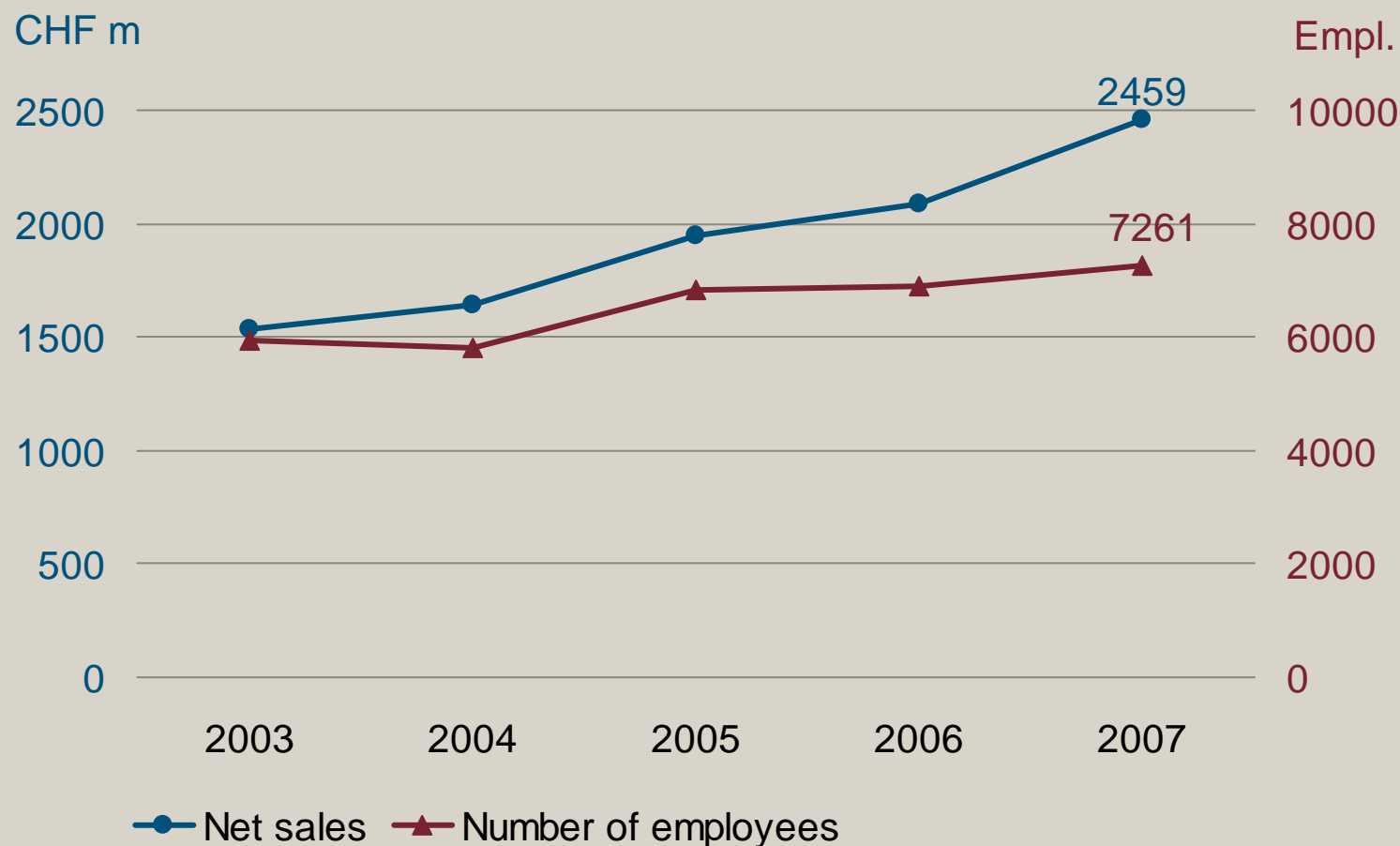


## Number of employees by region 2007

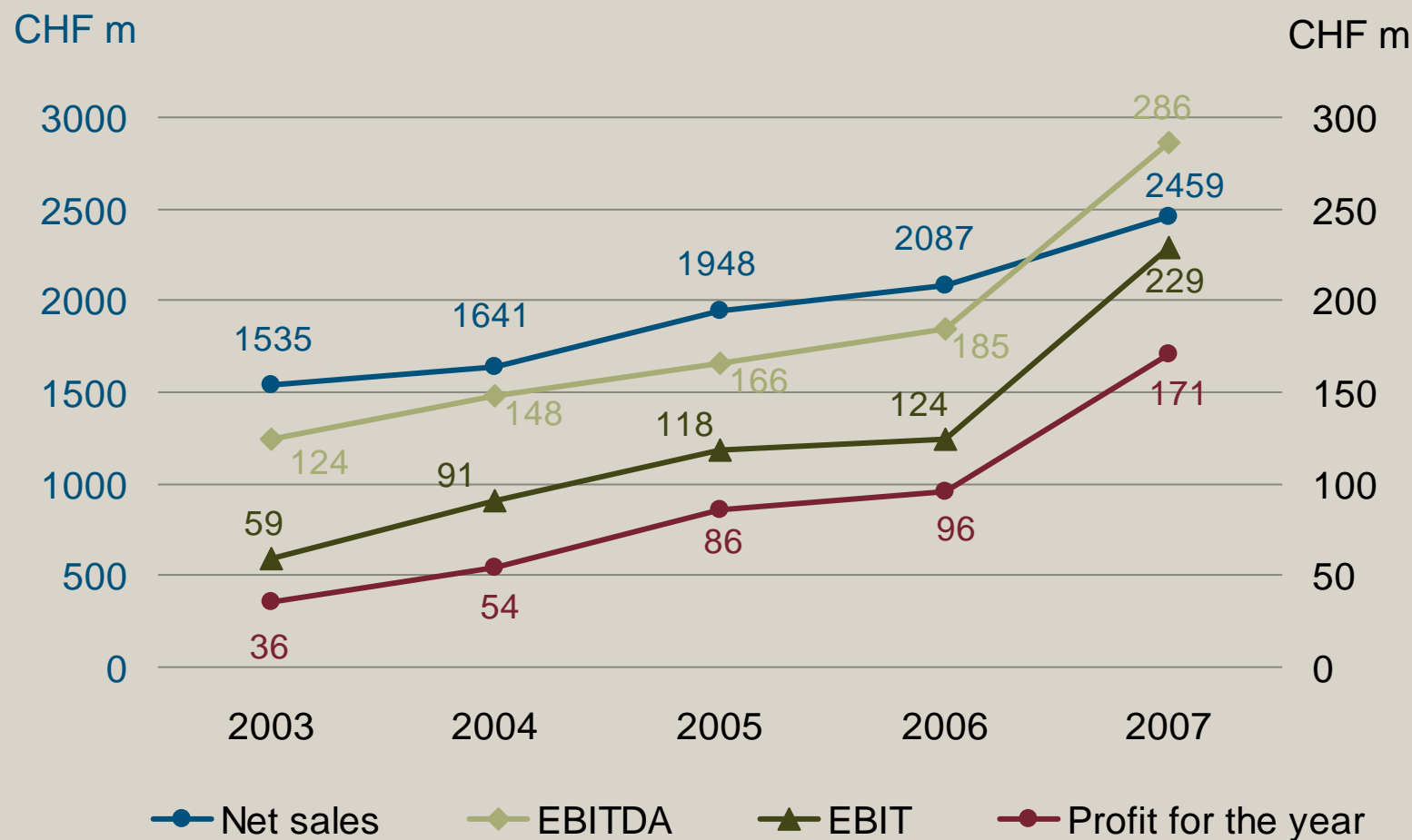




# Net sales and number of employees



# Net sales and results 2007



## Group at a glance

- Best result ever in the company's 200-year history
- All divisions reach or exceed a 14% return on net operating assets after tax
- Group sales up 18% to CHF 2.5 billion
- High organic growth of 15%
- Flexible organisation generates sales volume with existing infrastructure
- Profit of CHF 171 million for the year, increasing earnings per share by 79% from CHF 9.55 to CHF 17.07
- 23.8% return on capital employed after tax, well above target

## Group at a glance (continued)

- Marked improvement in profitability
  - EBITDA margin up from 8.8% to 11.6%
  - EBIT margin up from 5.9% to 9.3%
  - 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
  - Total intangible assets represent only 9% of equity
  - Equity ratio of 41%

# Key figures

| CHF million                                    | 2007         | 2006        | % 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)<br>as % of net sales | 286<br>11.6% | 185<br>8.8% | 54.9     |
| Operating profit (EBIT)<br>as % of net sales   | 229<br>9.3%  | 124<br>5.9% | 85.4     |
| Profit for the year<br>as % of net sales       | 171<br>7.0%  | 96<br>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 & silage making

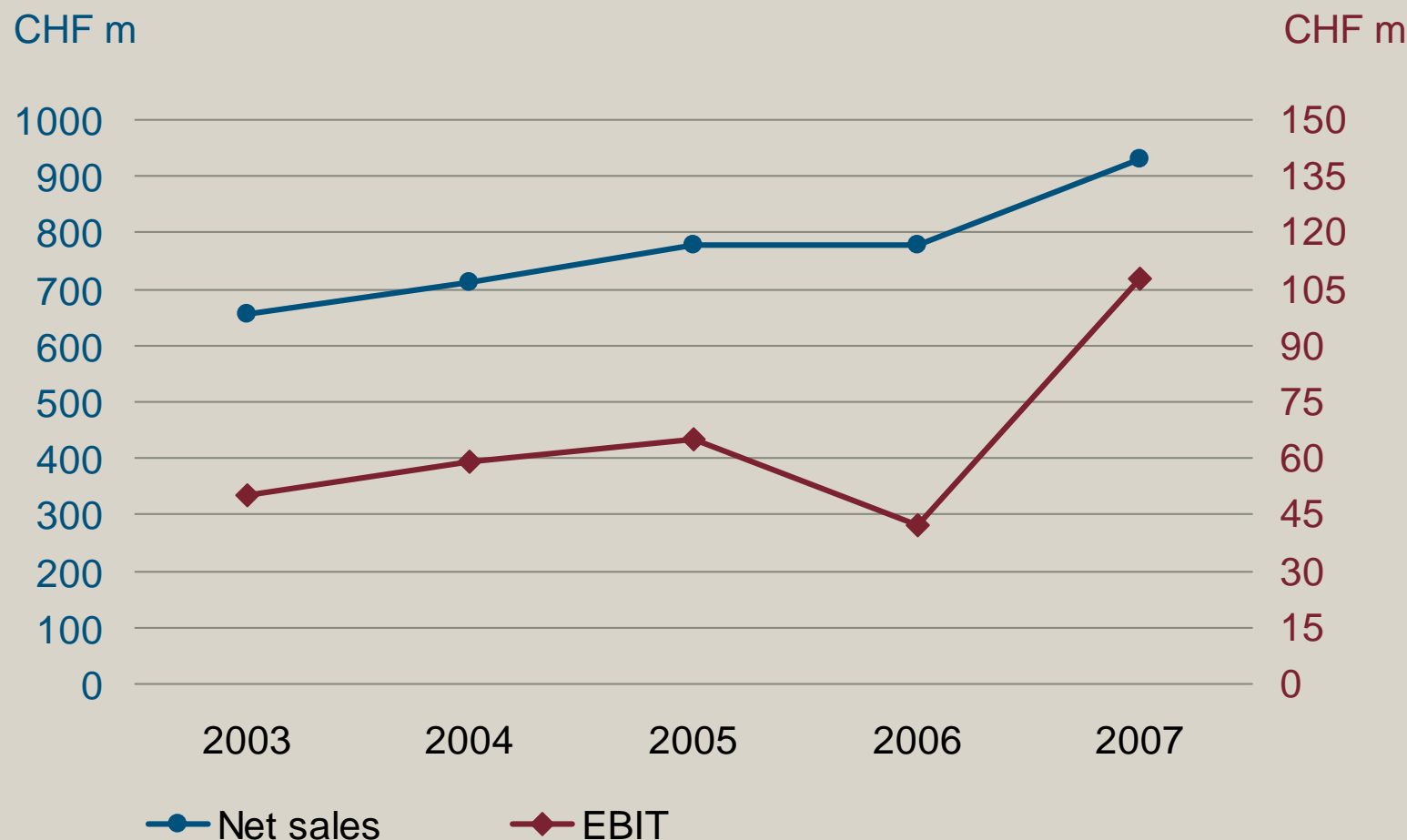


Bedding & feeding



# Kuhn Group

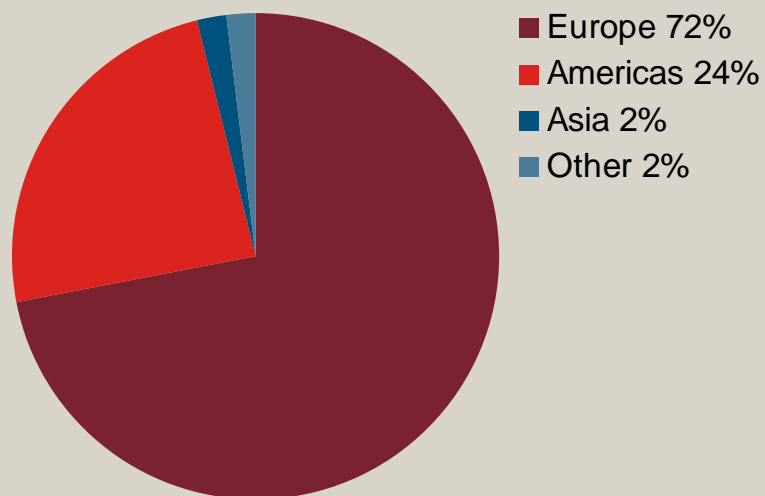
## Net sales and EBIT



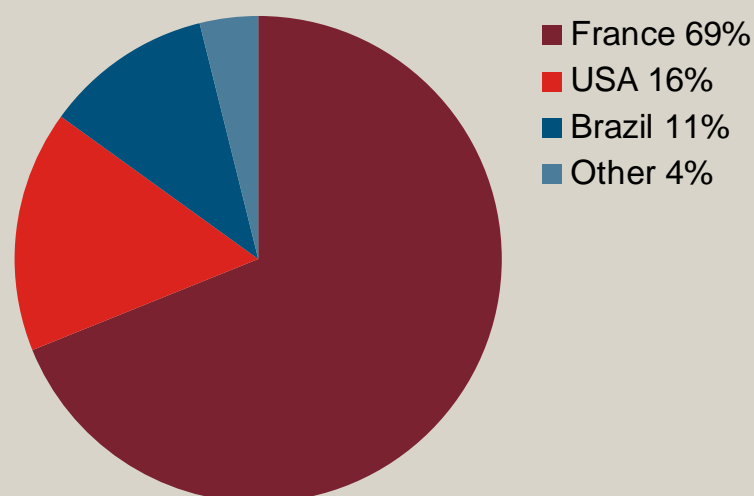
# Kuhn Group

## 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

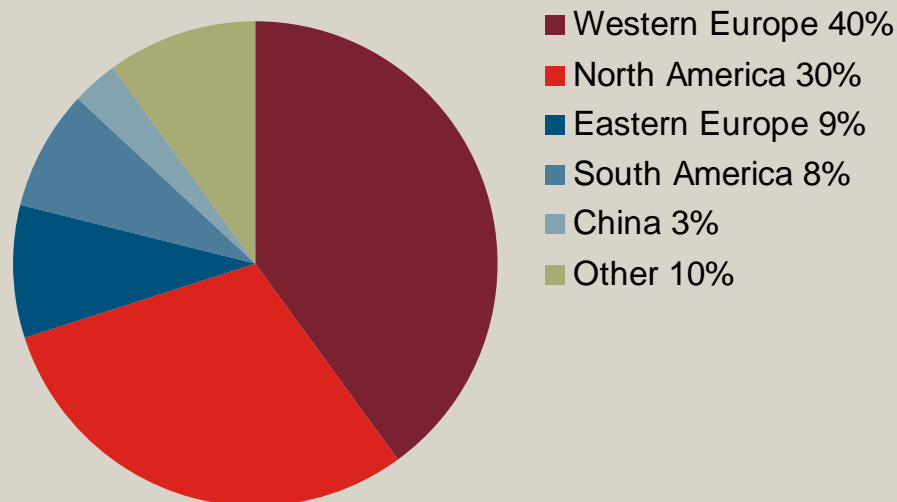
## Complete product range under one brand

| 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           |                   |         |       |        |         |        |                |              |          |           |        |        |         |               |

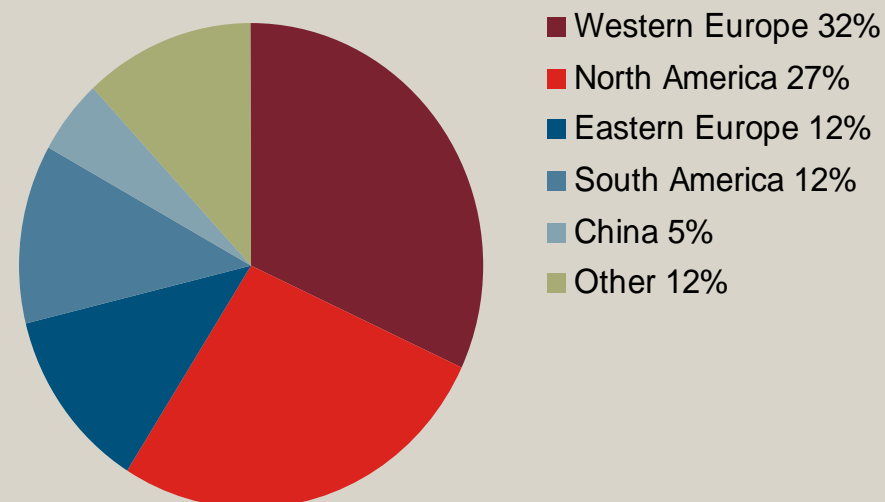
# Kuhn Group

## World market for agricultural machinery

2005  
Total USD 42 billion



2015  
Total USD 45 billion



## Kuhn Group Highlights in 2007

- 19% sales growth
- Order intake up 30%, exceeding CHF 1 billion for the first time
- All geographical markets contributed to the growth
- Successful transfer of seed drill production
- One-off gains of approx. CHF 9 million from sale of the Kuhn Nodet property, and unused provisions for termination of a dealer agreement in Spain
- Operating EBIT of CHF 108 million, up by CHF 66 million year on year
- High EBIT margin of 11.6%

# Kuhn Group Outlook for 2008

- Continuing favourable market environment
- Higher prices for agricultural products and increasing bioenergy production to spur capital spending by farmers
- “Food against energy” triggering policy debate
- Weakness of the US dollar against the euro weighing on operating results
- Sales expected to increase, with operating profit level with last year

# Bucher Municipal Sweepers and winter maintenance equipment



Compact sweepers



Truck mounted sweepers



Spreaders



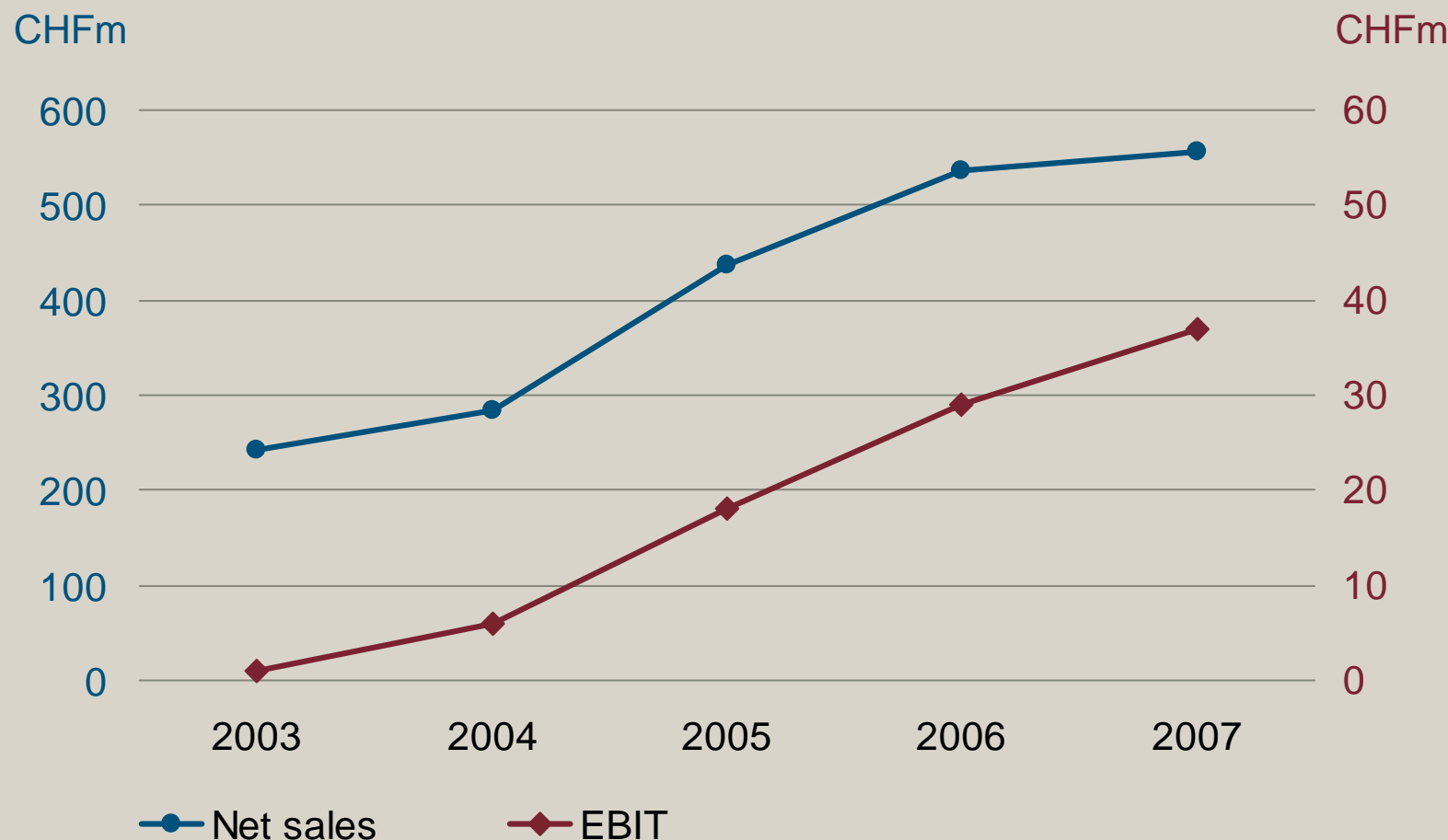
Snow blowers



Refuse collection vehicles



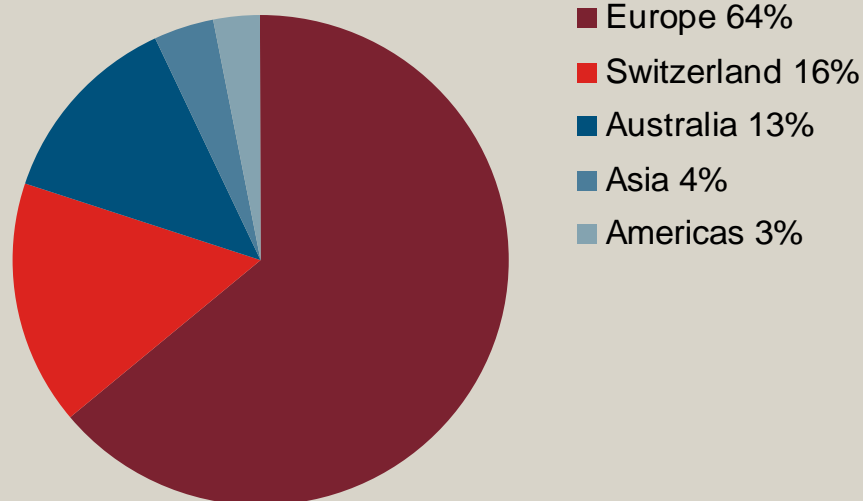
# Bucher Municipal Net sales and EBIT



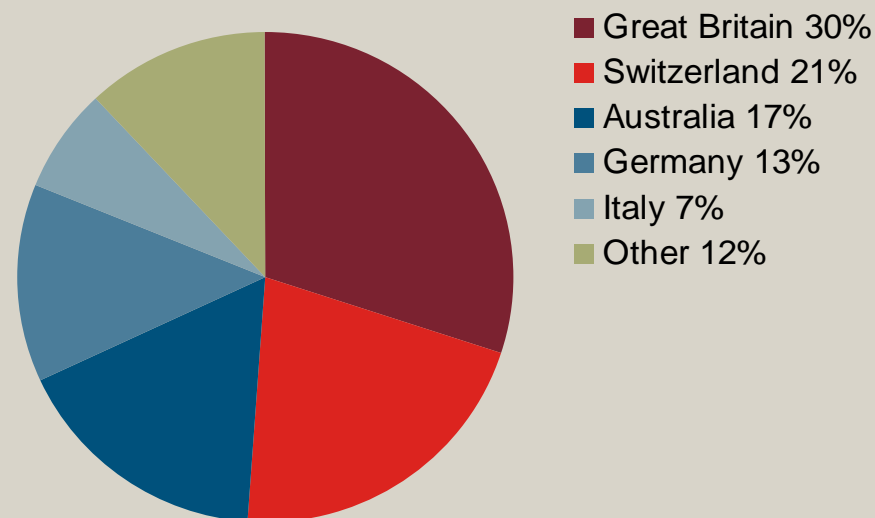
# Bucher Municipal

## Net sales and number of employees 2007

Net sales  
CHF 557 m



Number of employees  
1 508 persons



# 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 Highlights in 2007

- Market recovery after several years of stagnation
- Major orders for sweepers and airport equipment
- High public tax revenues support capital spending needs
- Continued expansion of the Latvian assembly plant
- New generations of sweepers on track, providing economies of scale in purchasing and production
- Gmeiner acquisition in Germany reinforces winter maintenance business
- Operating profit up 28% to CHF 37 million
- EBIT margin of 6.6% beats interim target

# Bucher Municipal Outlook for 2008

- Stable market environment expected to continue
  - Stable demand in principal markets
  - Usual start-of-year uncertainties about large-scale contracts
  - Mild winter affecting spare parts sales
- Integration of Gmeiner and realisation of synergies in the winter maintenance product portfolio and distribution
- Continuation of cost leadership strategy
  - Utilising the joint sourcing potential
  - Strengthening the Bucher Schörling and Johnston distribution channels
  - Further expanding the Latvian assembly plant
- 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



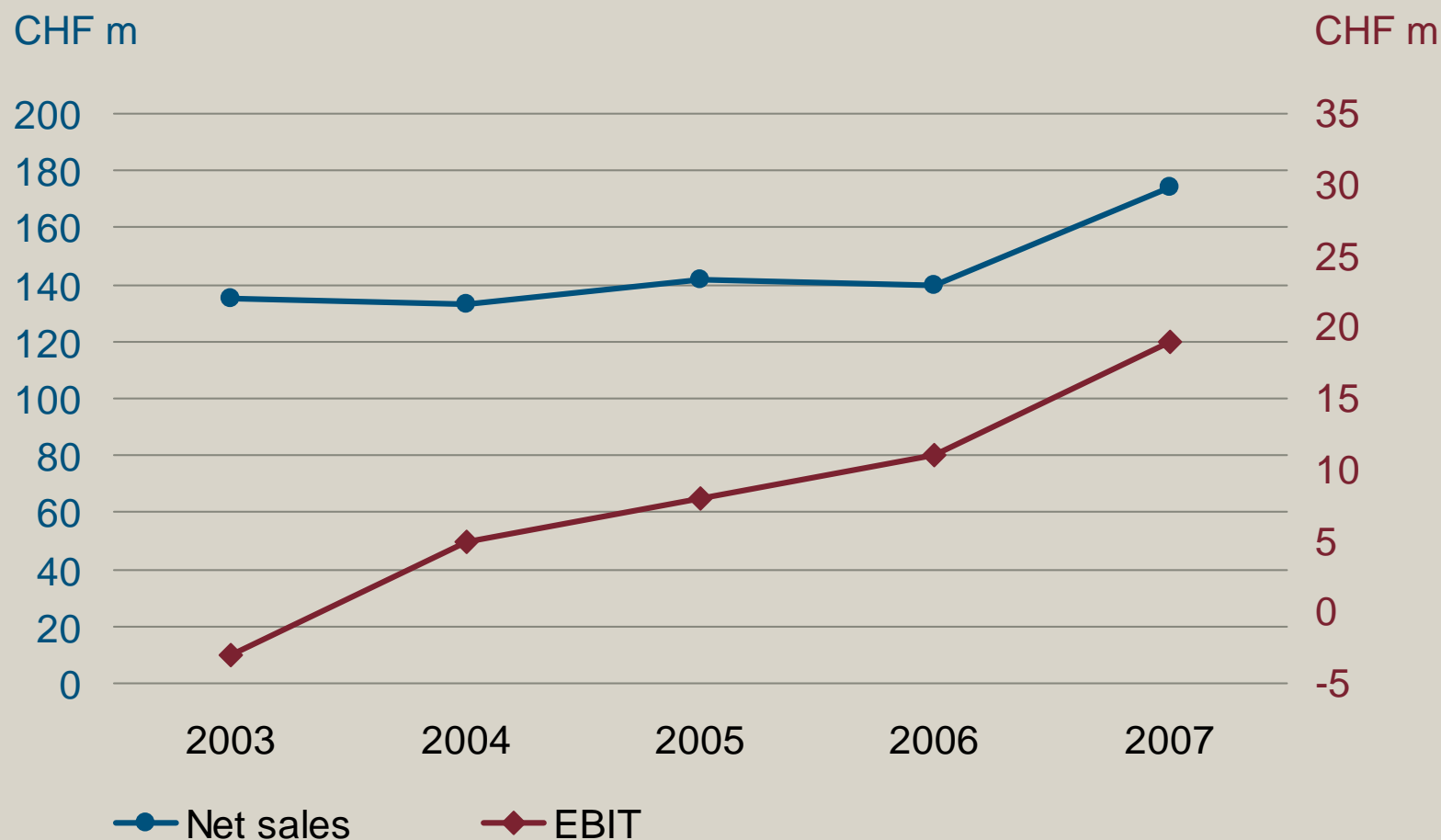
Ultrafiltration systems



Evaporators

# Bucher Process

## Net sales and EBIT

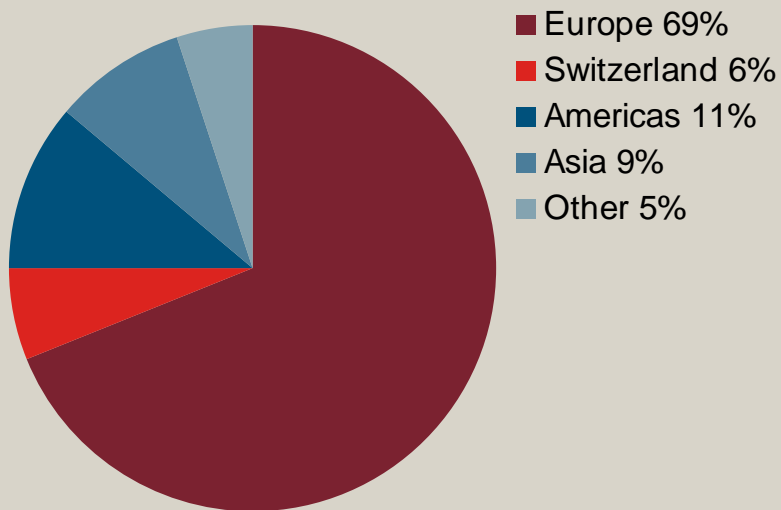




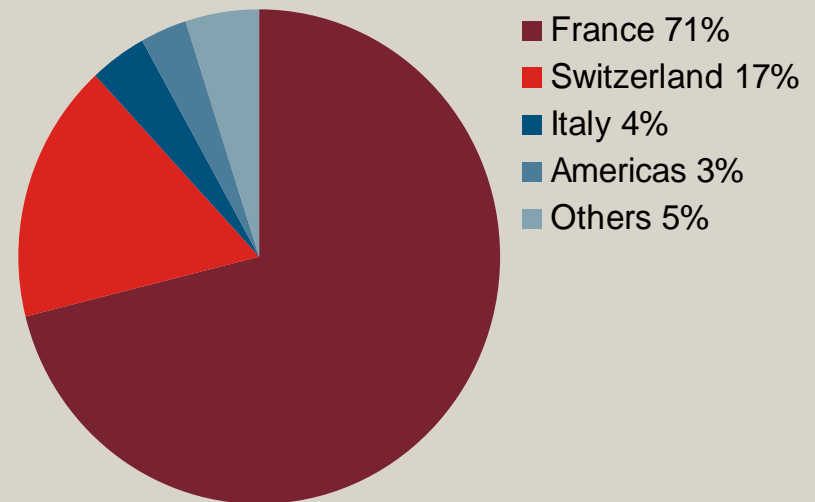
# Bucher Process

## 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)              |           |          |          |              |            |         |

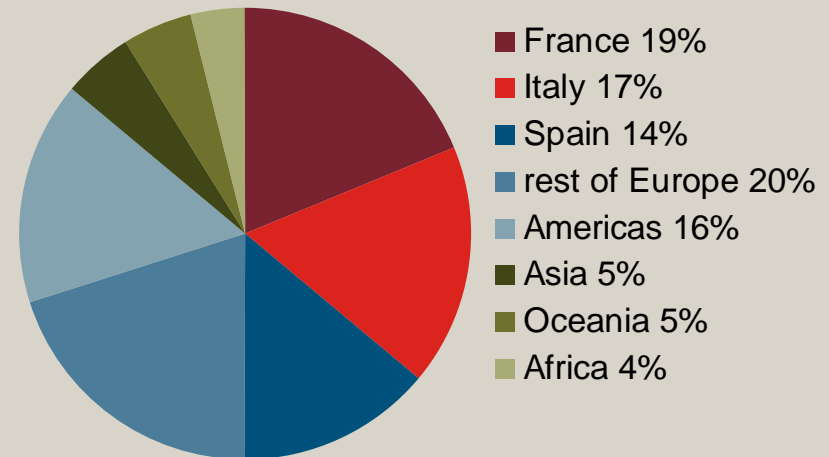
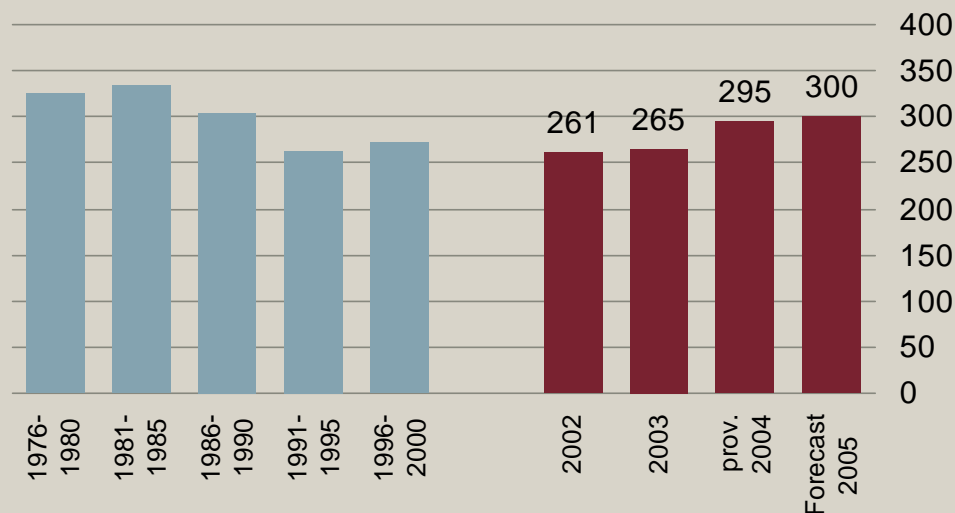
### Juice production

| 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

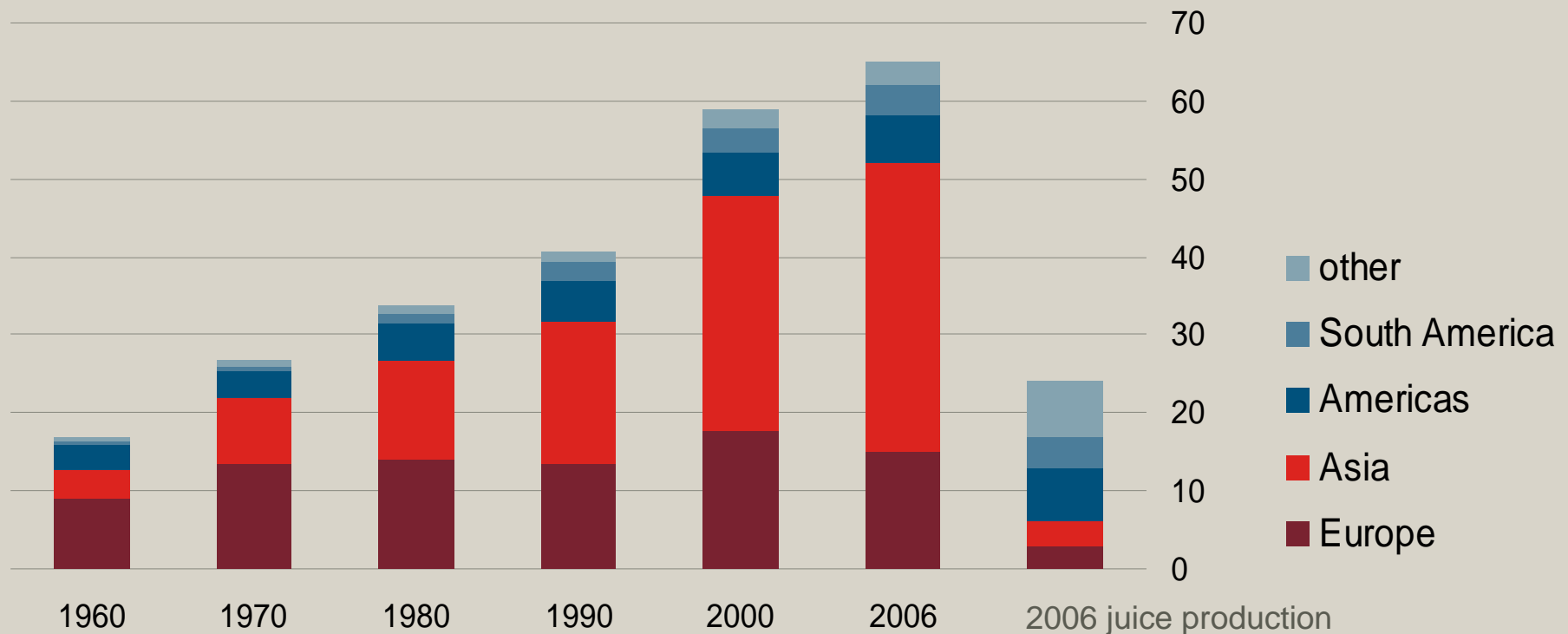
## World production of wine

million hl



# Bucher Process

## World apple production 1960 - 2006



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

# Bucher Process

## Highlights in 2007

- Buoyant market conditions
  - Recovery of the French wine production market
  - Wine consumption over wine production for the first time in a long time
  - Higher prices for quality wines, apples and apple juice concentrate
- Major orders from the UK and China for equipment to produce apple juice concentrate
- Product innovations successfully launched on the market
- Orders for sludge dewatering equipment delayed due to the complex tendering practice; good prospects confirmed
- Operating profit rose from CHF 10 million to CHF 19 million
- Excellent EBIT margin of 10.9%

## Bucher Process Outlook for 2008

- Demand expected to remain strong due to stable wine and apple prices at a high level
- Major orders from the UK and China will favourably impact sales and operating profit
- Realistic prospects of new orders for sludge dewatering equipment
- Sales and operating profit expected to increase significantly

# Bucher Hydraulics

## Custom drive solutions

**BUCHER**

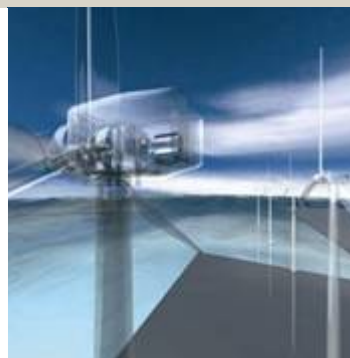
1807  
2007  
YEARS



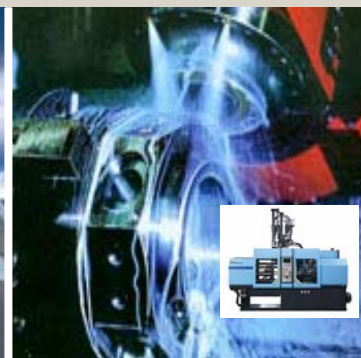
Agricultural  
machinery



Mining / tunnelling



Wind energy



Mechanical  
engineering



Municipal  
equipment



Construction  
equipment



Materials handling



Elevator hydraulics



Marine / offshore

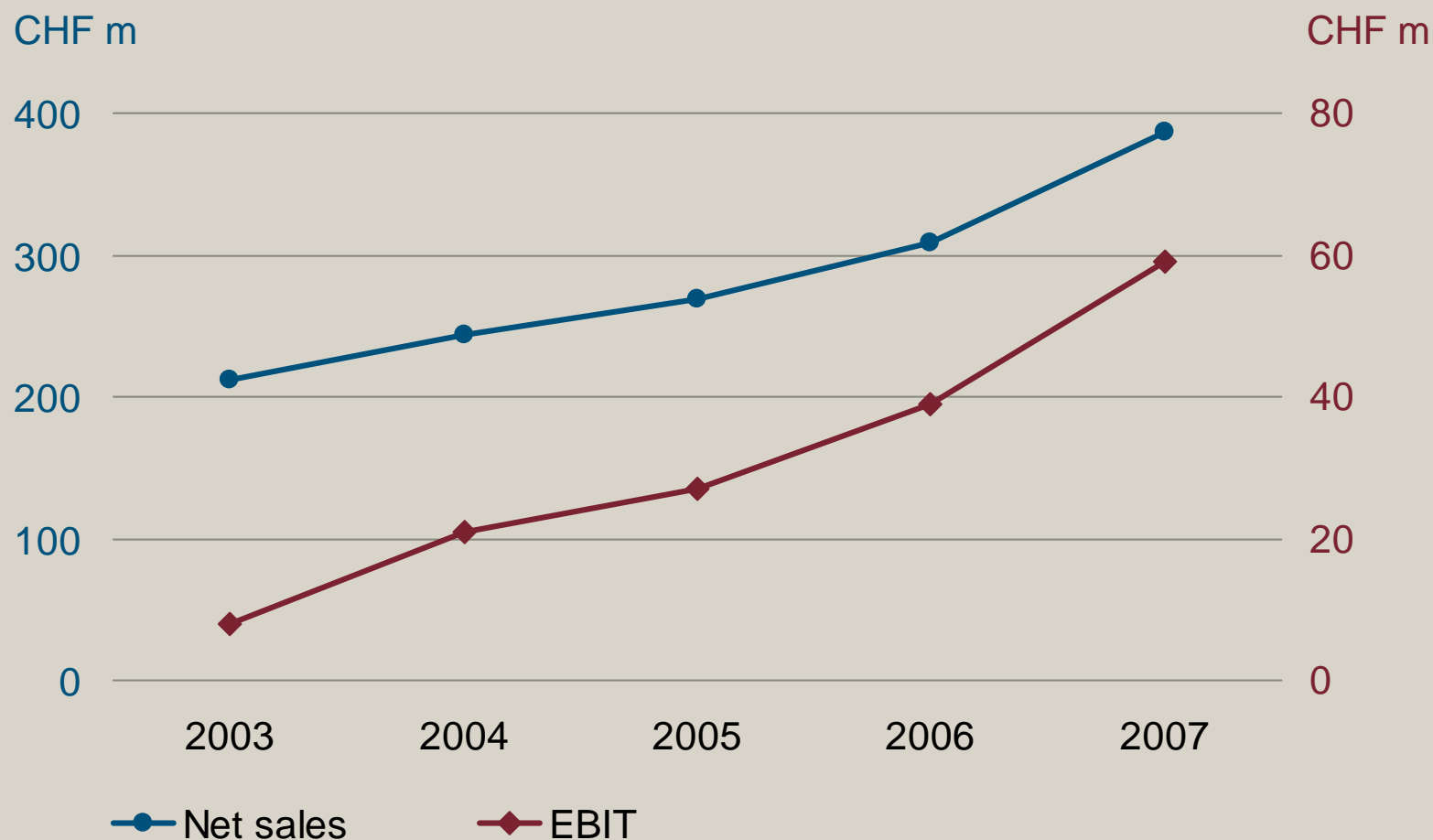


Power engineering



# Bucher Hydraulics

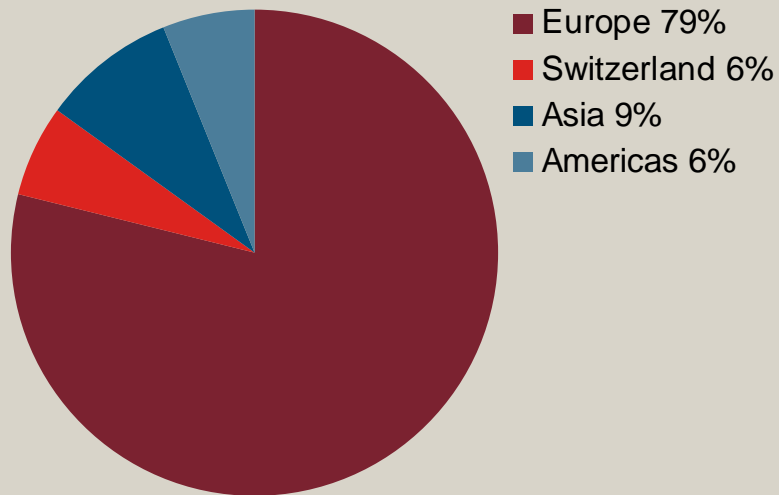
## Net sales and EBIT



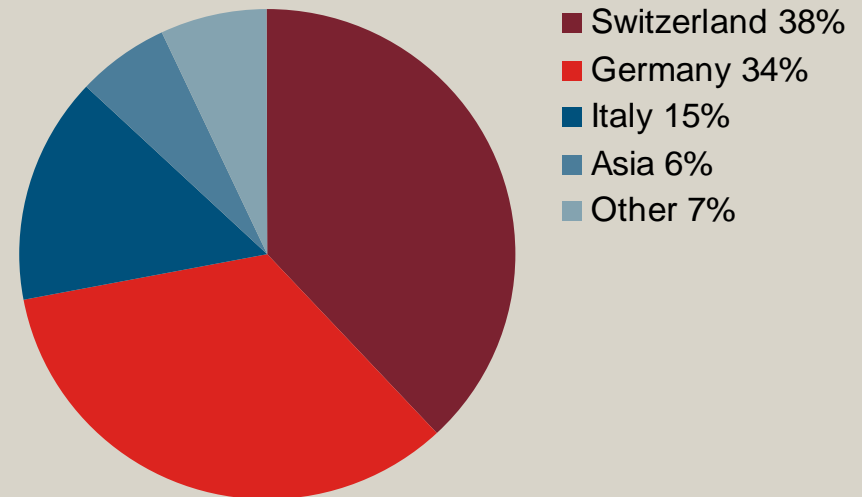
# Bucher Hydraulics

## 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

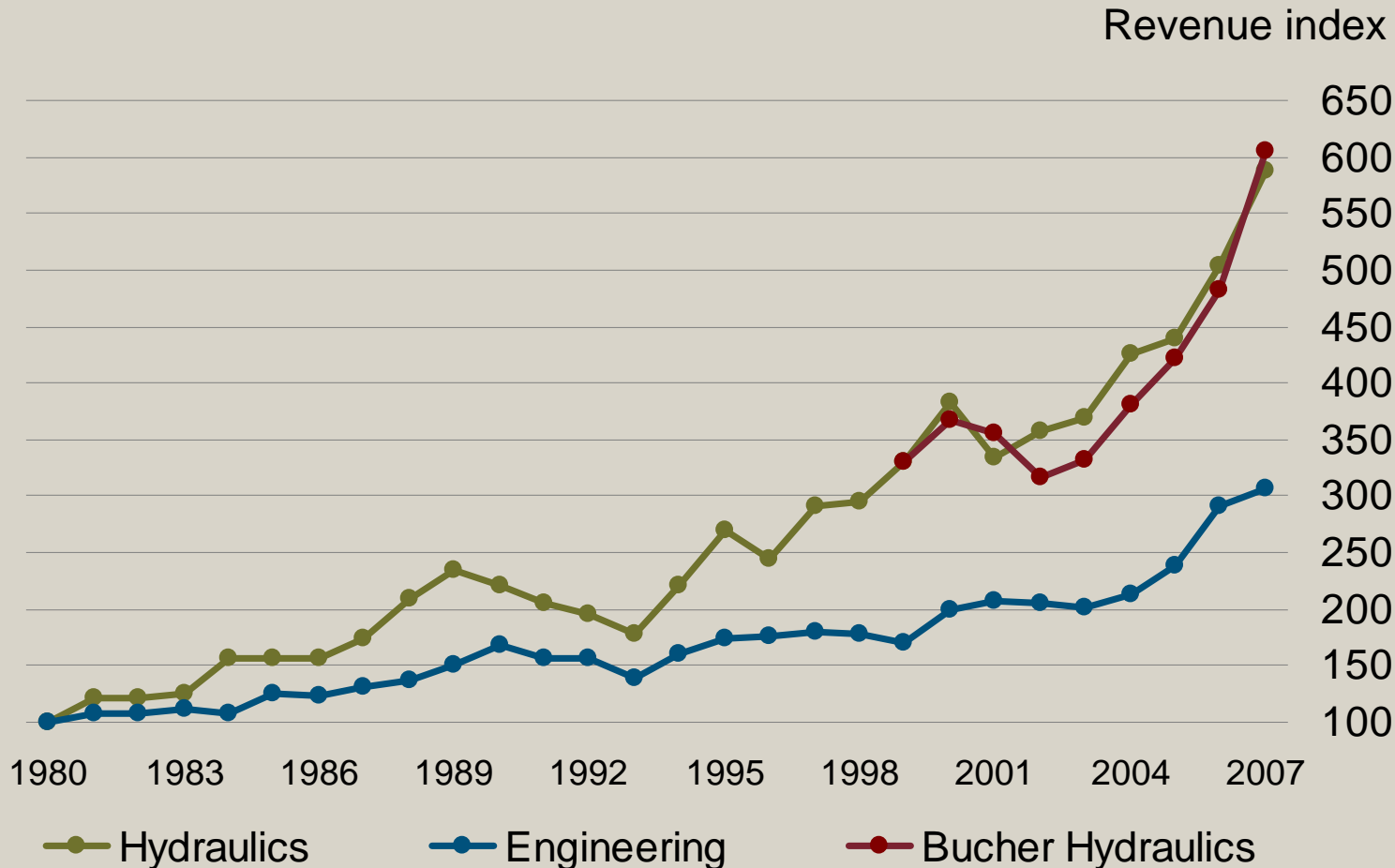
# Bucher Hydraulics

## Leading european position

|                          | Pumps  |      |      | Valves             |       |                   |           |           |         | Motors & Cylinders |        |           | Accessoires |              |         |       | 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)               |        |      |      |                    |       |                   |           |           |         |                    |        |           |             |              |         |       |             |             |
| Haldex (SE)              |        |      |      |                    |       |                   |           |           |         |                    |        |           |             |              |         |       |             |             |
| Husco (USA)              |        |      |      |                    |       |                   |           |           |         |                    |        |           |             |              |         |       |             |             |
| Sun Hydraulics (USA)     |        |      |      |                    |       |                   |           |           |         |                    |        |           |             |              |         |       |             |             |
| Hydraforce (USA)         |        |      |      |                    |       |                   |           |           |         |                    |        |           |             |              |         |       |             |             |

# Bucher Hydraulics

## Growth hydraulics and engineering



Source: VDMA

# Bucher Hydraulics Highlights in 2007

- 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 expansion started
- High production flexibility, sometimes in provisional buildings
- Longer delivery times unavoidable in a few cases
- Strategic move to become an international player with the acquisition of Monarch Hydraulics, Grand Rapids, USA

# Bucher Hydraulics Outlook for 2008

- No foreseeable change in high demand except in the USA
- Expansion of application engineering and technical sales network
- New production shops in Frutigen and Neuheim and selective automation in other plants
- Development and expansion of Bucher Hydraulics North America
- Another increase in sales and higher operating profit expected

# Emhart Glass

## Machinery glass container production



Gob forming



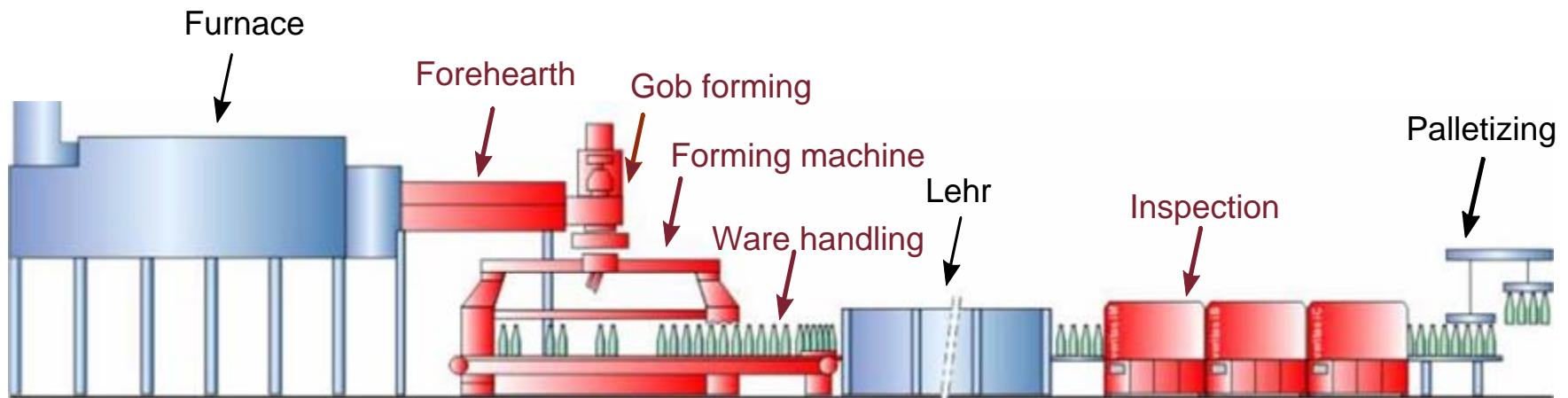
Glas forming machine



Ware handling



Inspection

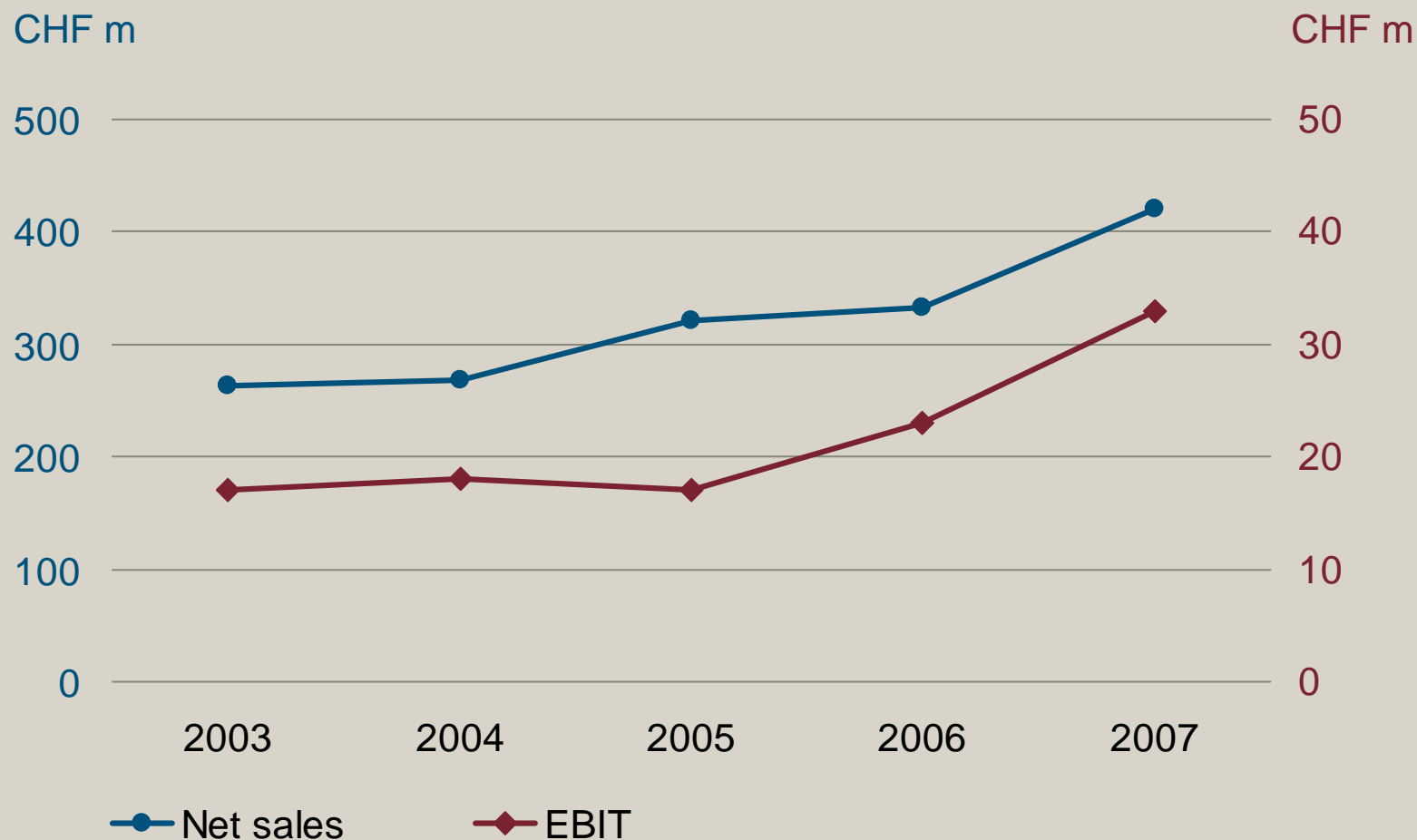


Glass container manufacturing process



# Emhart Glass

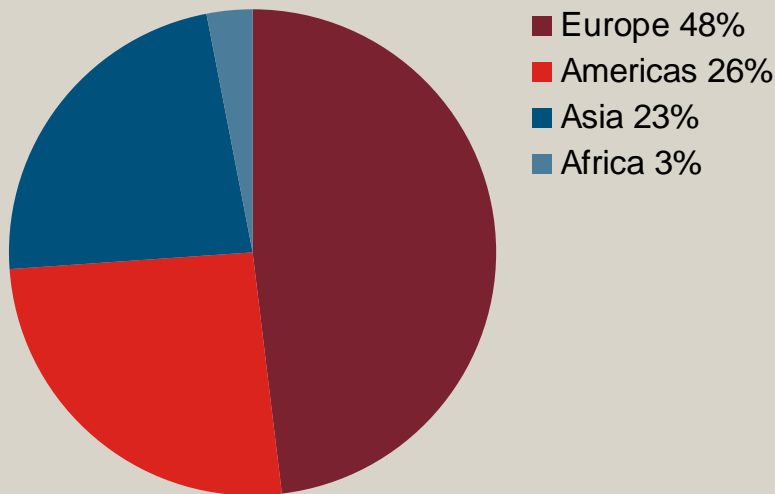
## Net sales and EBIT



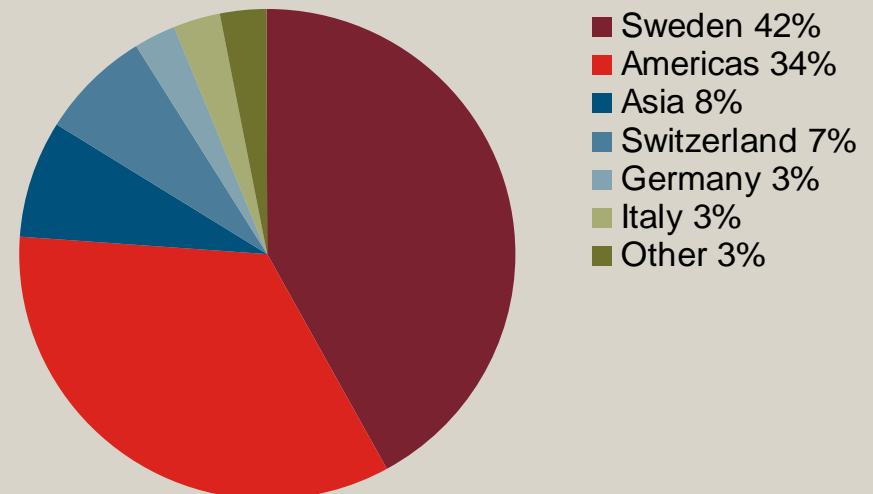
# Emhart Glass

## 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

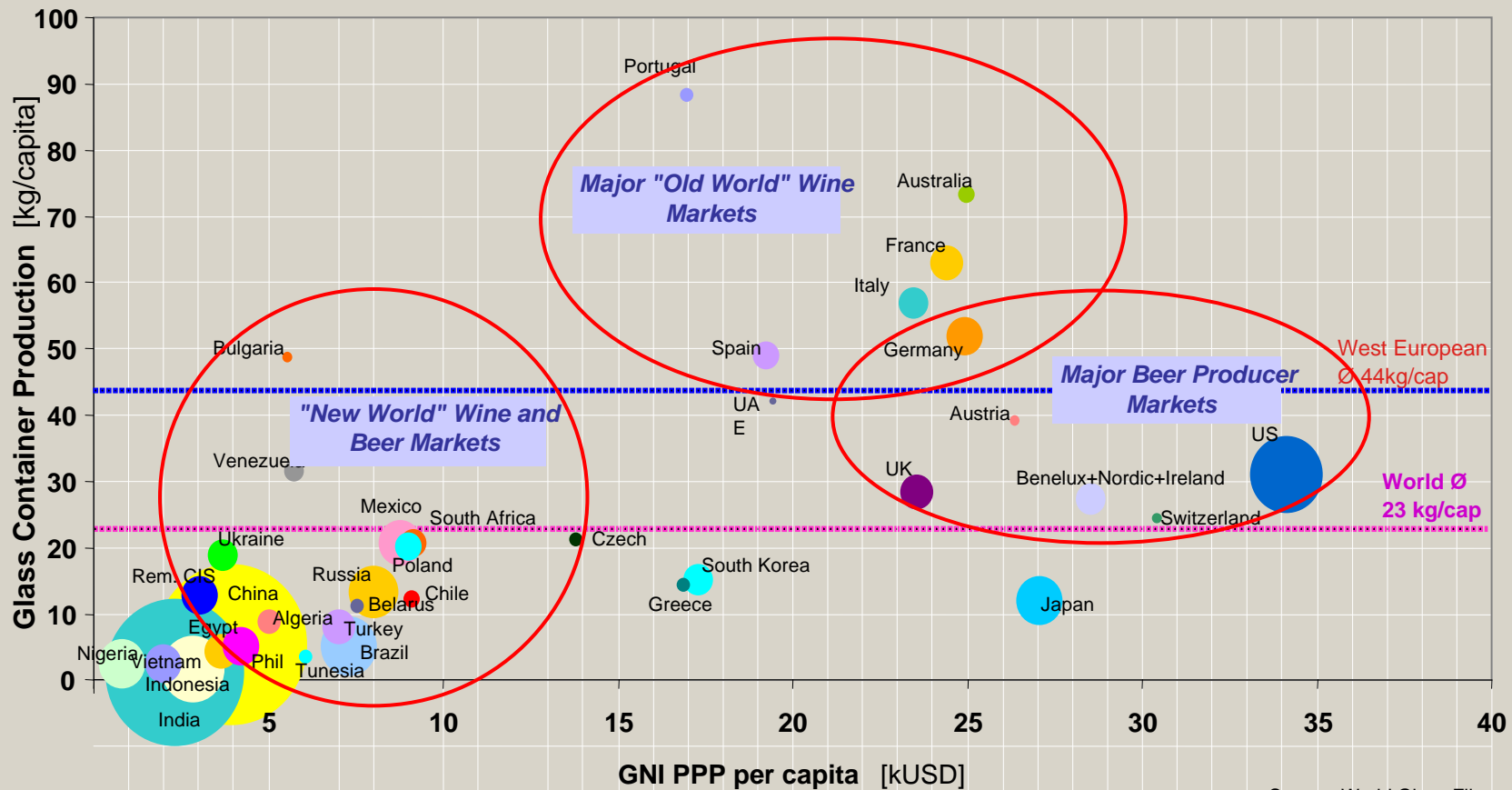
## Worldwide leading manufacturer

|                   | Hot End               |                     |                 |                   |                    |     |                 |                  |                |                       |      | Cold End             |                  |               |
|-------------------|-----------------------|---------------------|-----------------|-------------------|--------------------|-----|-----------------|------------------|----------------|-----------------------|------|----------------------|------------------|---------------|
|                   |                       |                     |                 |                   | IS forming machine |     |                 |                  |                |                       |      |                      |                  |               |
| Competitors       | Batch<br>char-<br>ger | Melter<br>(Furnace) | Fore-<br>hearth | Feeder<br>& shear | NIS                | AIS | IS high<br>tech | IS stan-<br>dard | IS low<br>tech | Ware<br>hand-<br>ling | Lehr | In-<br>spec-<br>tion | Palle-<br>tizing | Wrap-<br>ping |
| Emhart Glass      |                       |                     |                 |                   |                    |     |                 |                  |                |                       |      |                      |                  |               |
| 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 Highlights in 2007

- Shortage of glass containers worldwide
- Rising prices for high-quality glass containers
- High capital expenditure on modernisation and new facilities
- Rise to become market leader in inspection machines through the acquisition of ICS / Inex, USA
- Very high capacity utilisation
- Supply bottlenecks causing higher transport costs
- Assembly capacities expanded by process improvements in Sweden and a new plant in Malaysia
- Operating profit up 43% to CHF 33 million

## 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

- Good market conditions continuing at a very high level
- Concentration of inspection machine production in Elmira, NJ and sales and engineering in Clearwater, FL
- Expansion of low-cost assembly facility in Malaysia
- New standard IS glass forming machine for Eastern Europe and Asia to fuel growth in sales
- R&D centre eliciting very positive reactions from customers
  - Improvement through the entire glass forming process
  - Tempered glass tests throughout the year
  - Customer trials
- Sales expected to be comparable with last year, with continued improvement in operating profit



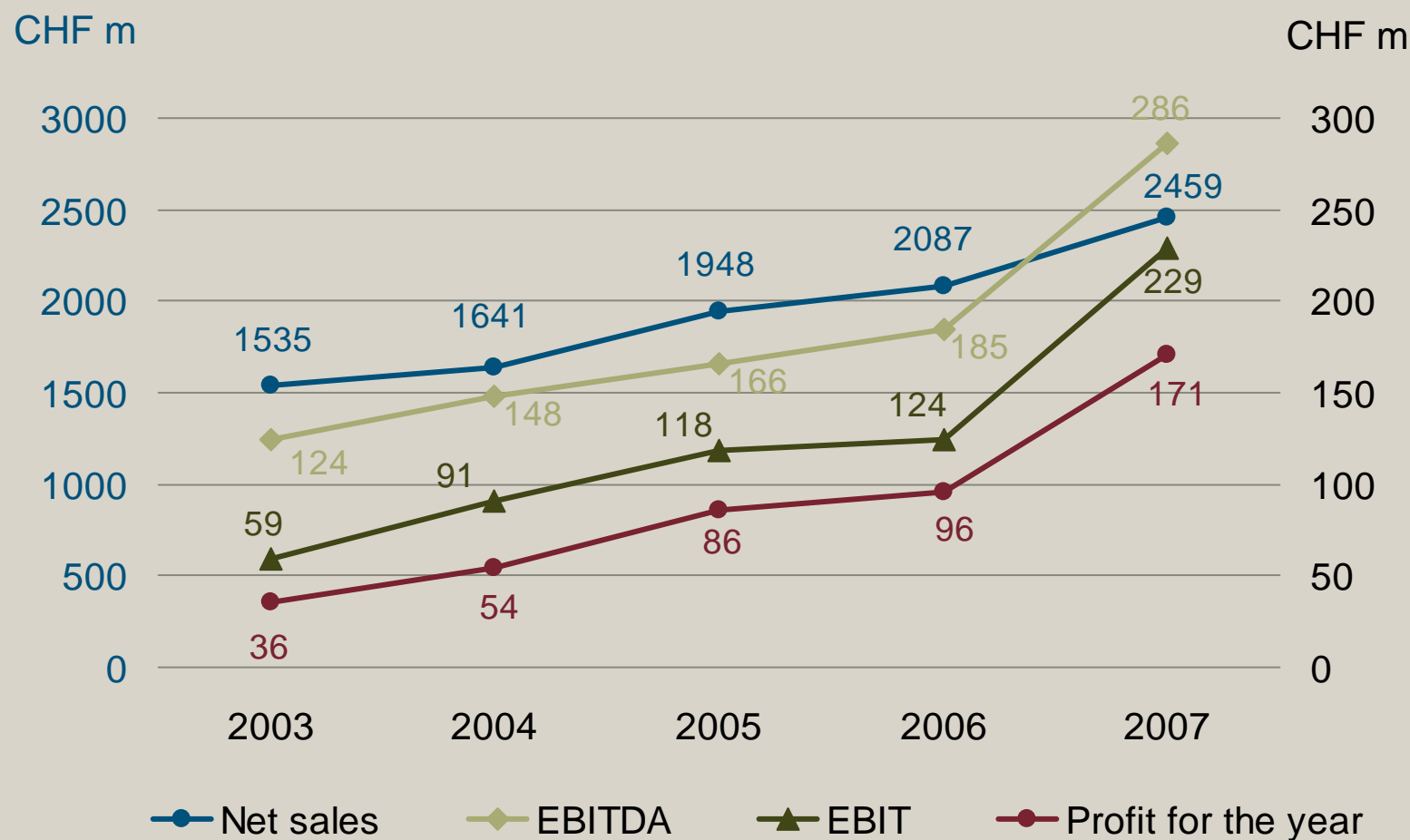
## Group's short- to medium-term strategy

- 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

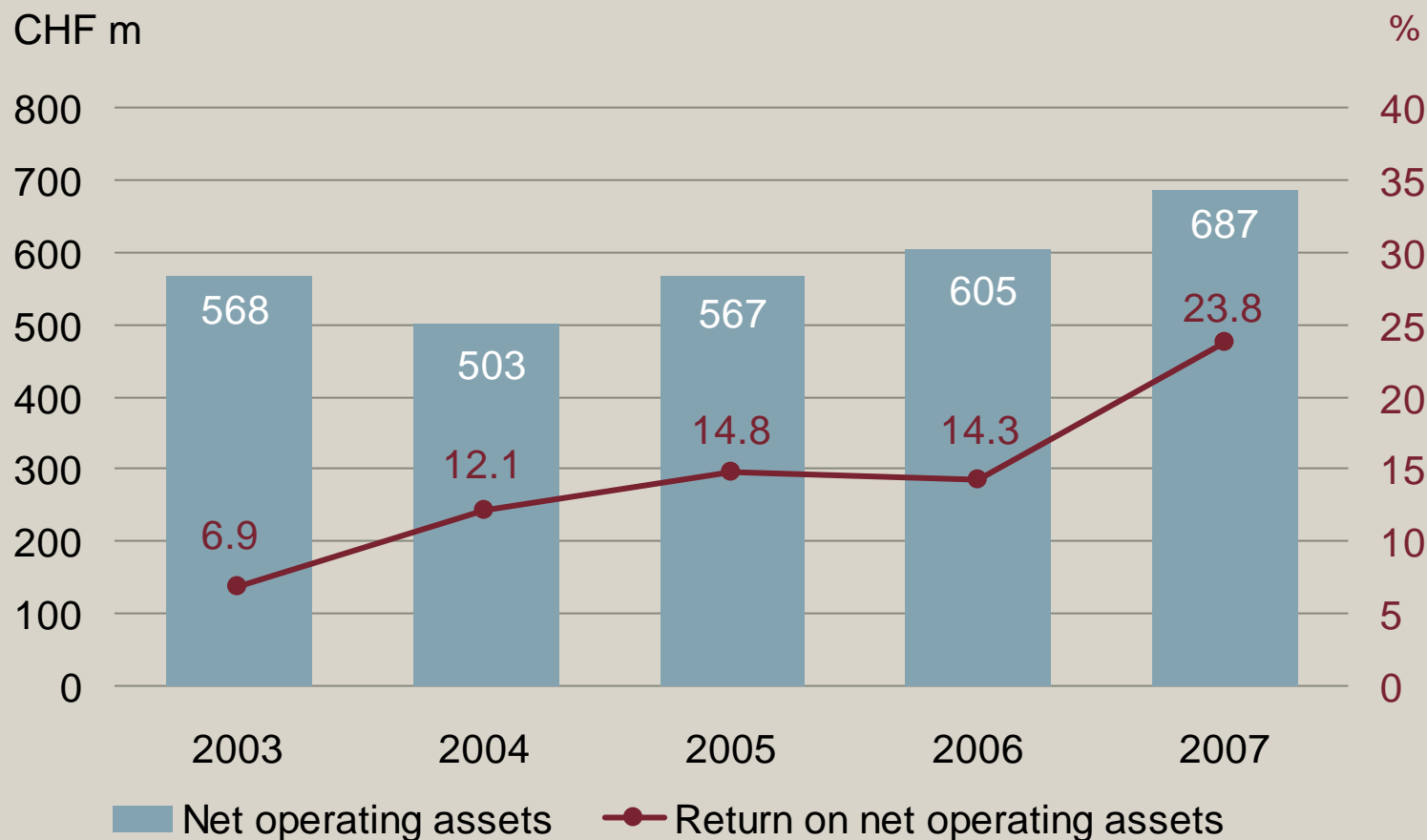
## Group outlook for 2008

- Performance continuing at the high 2007 level
  - Favourable prospects in the agricultural market
  - Municipal equipment at a stable high level
  - Buoyant situation in wine and fruit juice production equipment, also supported by the major orders in 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
- Continued, but less marked increase expected in sales, operating profit and profit for the year

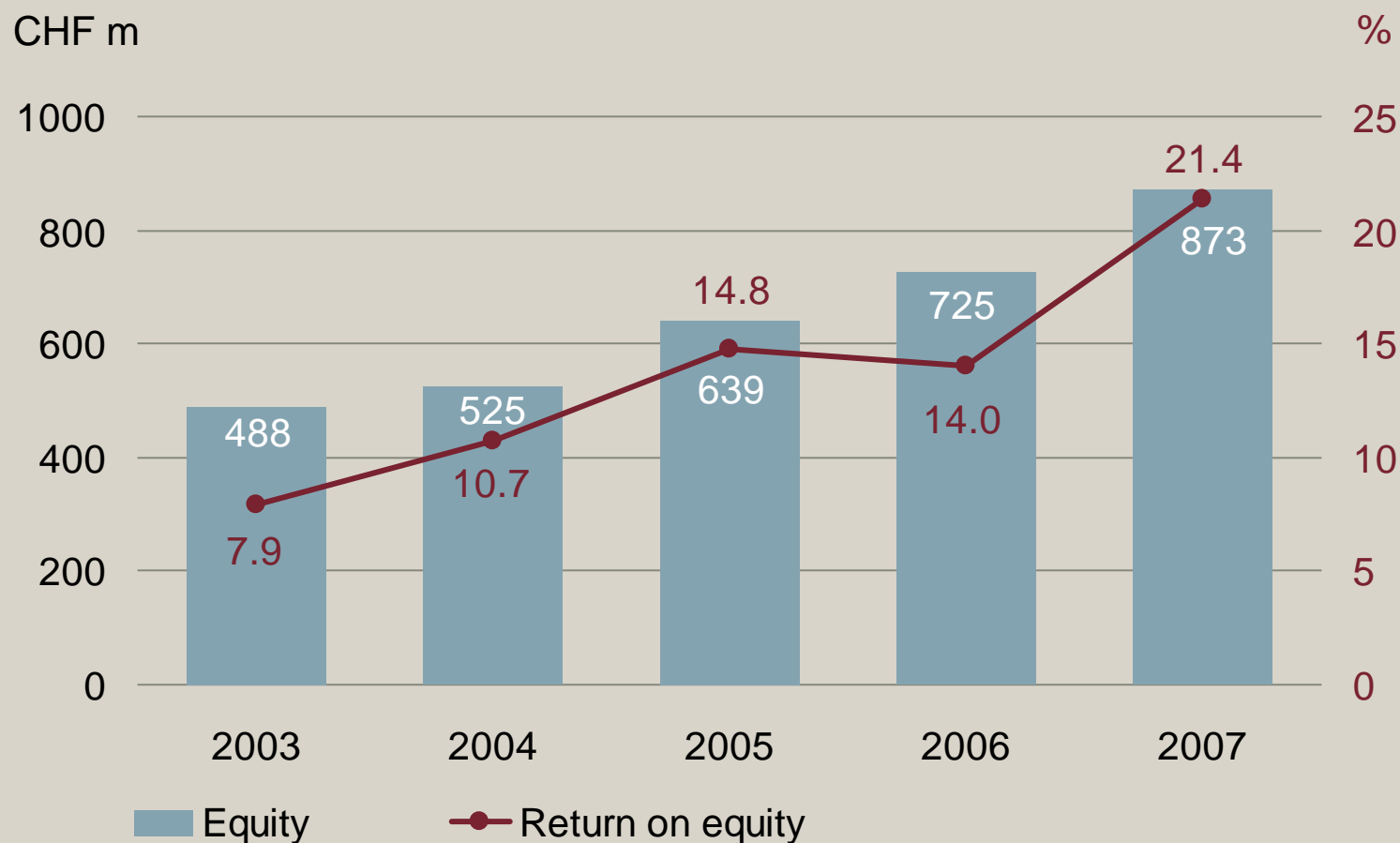
# Net sales and results



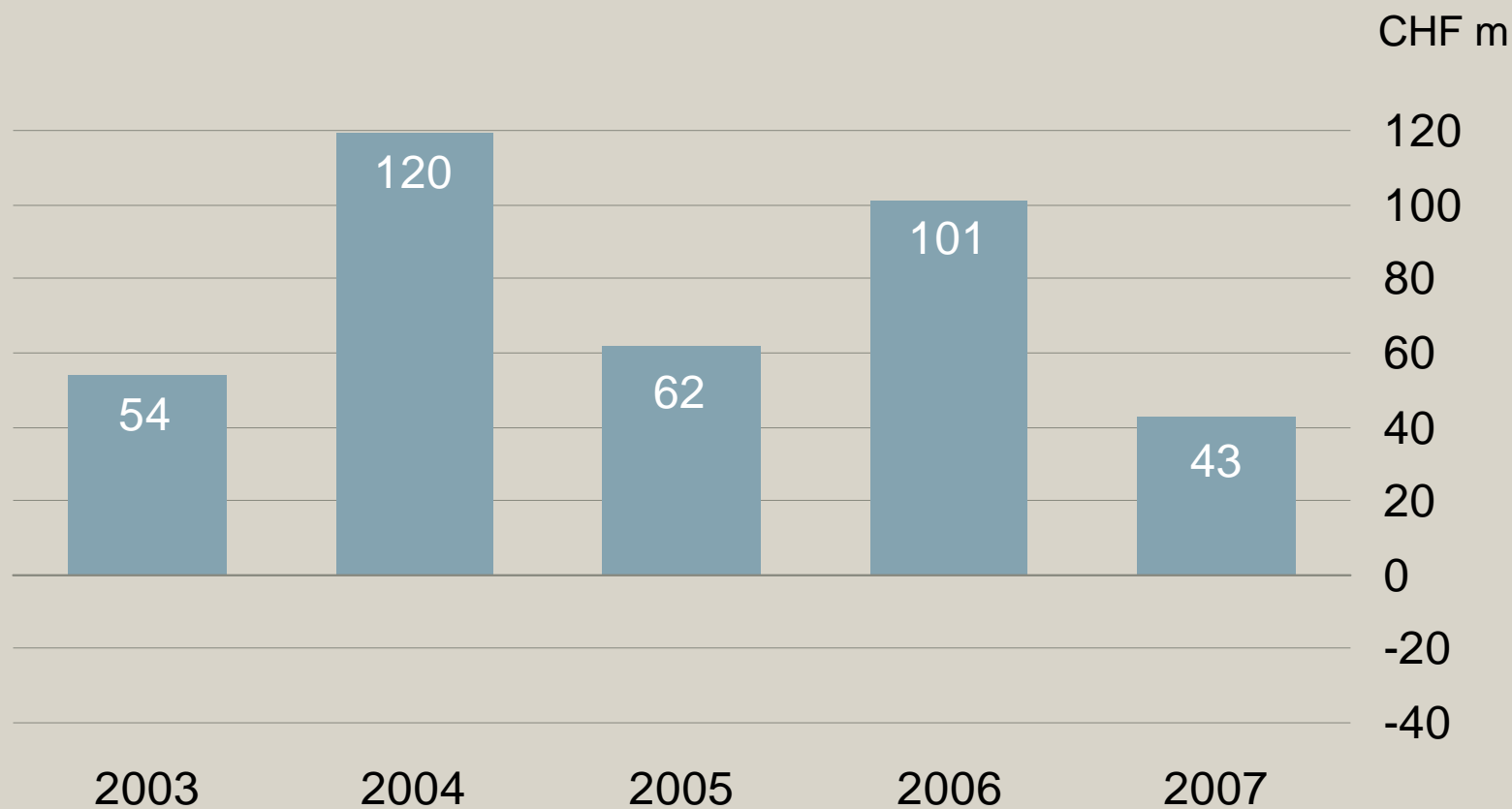
# Net operating assets (NOA) and after-tax return on net operating assets (RONOA)



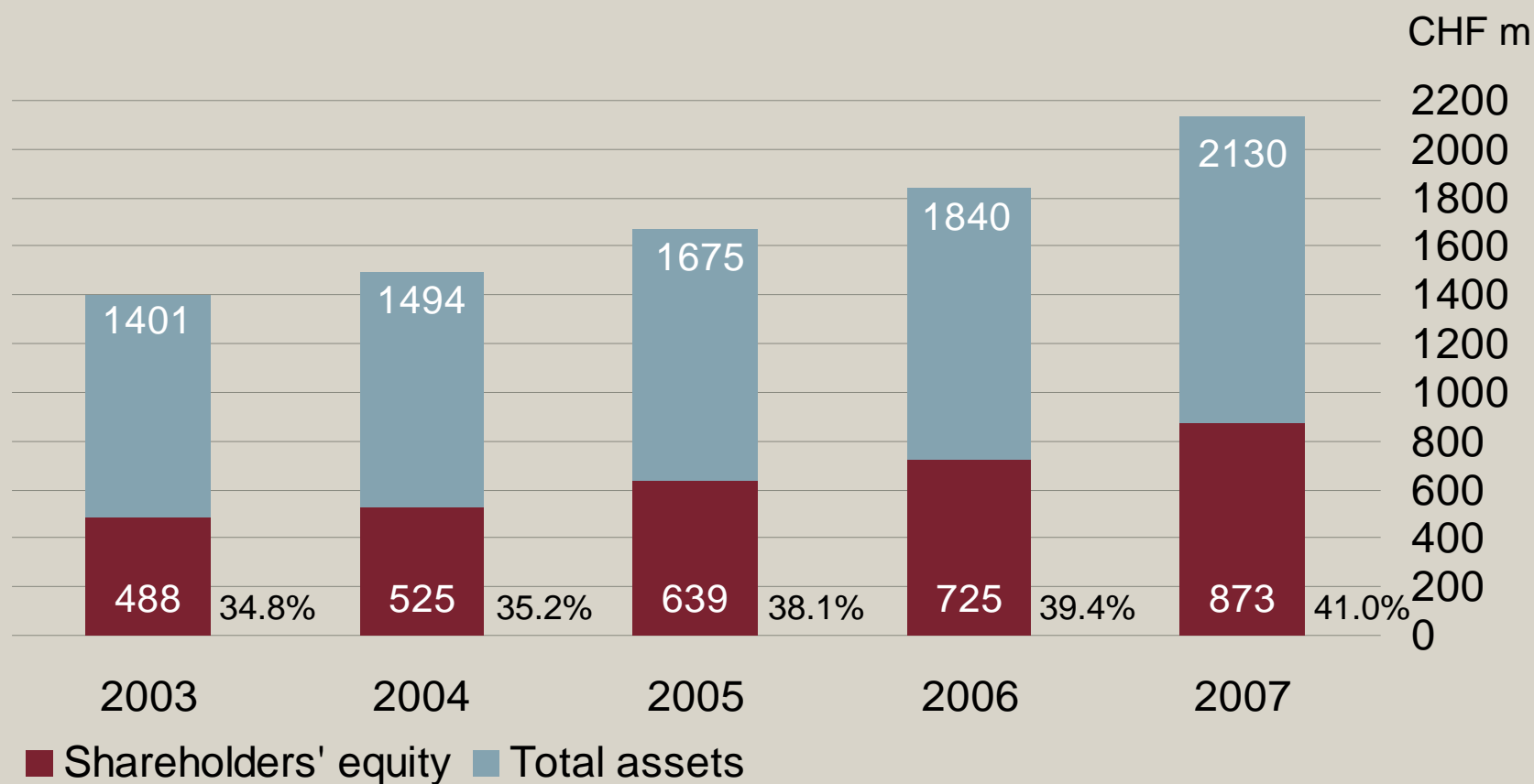
# Equity and return on equity (ROE)



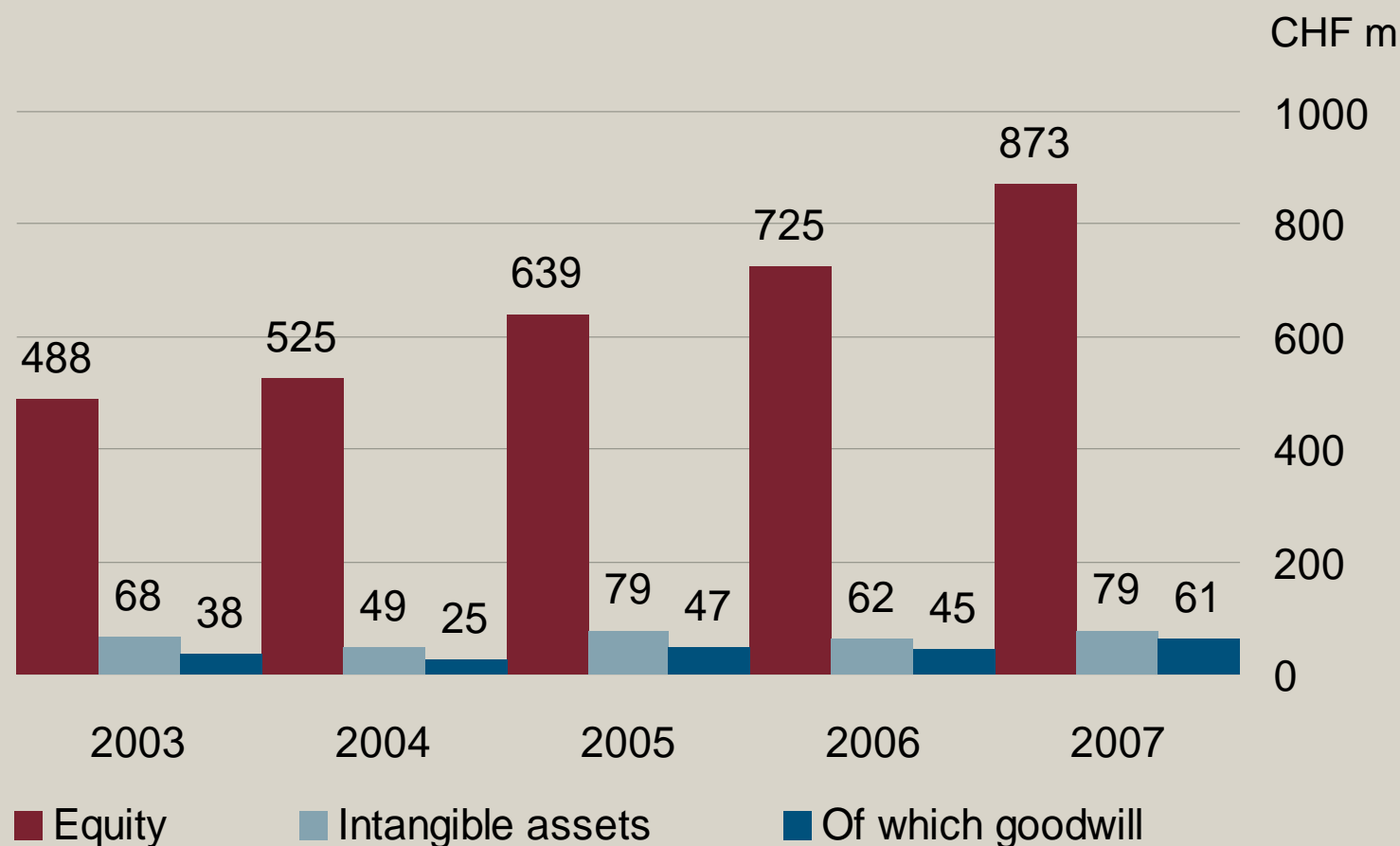
## Operating free cash flow



# Equity and total assets

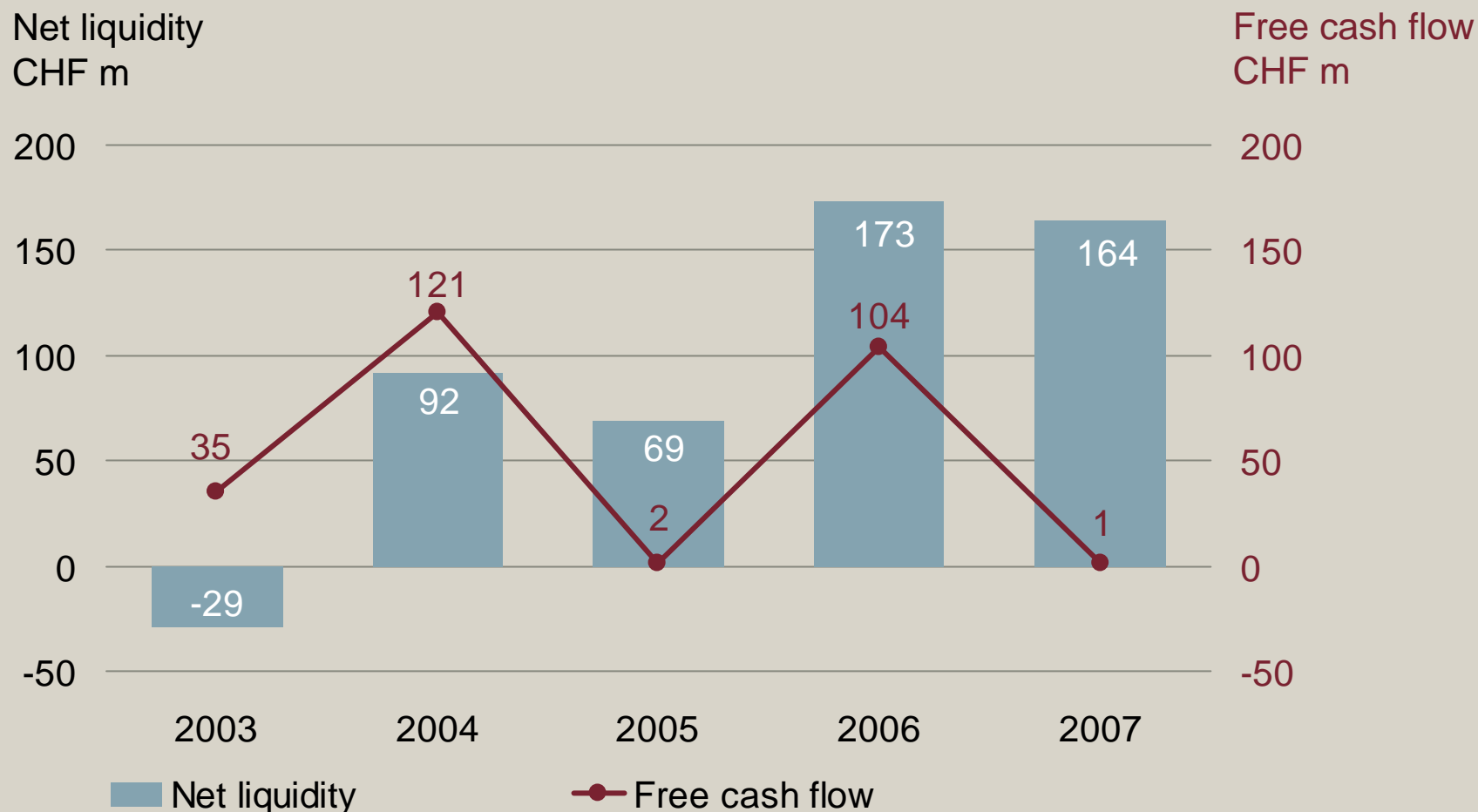


# Equity / intangible assets





# Net liquidity and free cash flow



# Market capitalisation and book equity

