

# 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 forage harvesting, bedding and feeding, tillage, seeding, fertilisation and spraying

Sales CHF 1 100 m  
Employees 3 600

### **Bucher Municipal**

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

Sales CHF 600 m  
Employees 1 500

### **Bucher Process**

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

Sales CHF 200 m  
Employees 500

### **Bucher Hydraulics**

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

Sales CHF 500 m  
Employees 1 700

### **Emhart Glass**

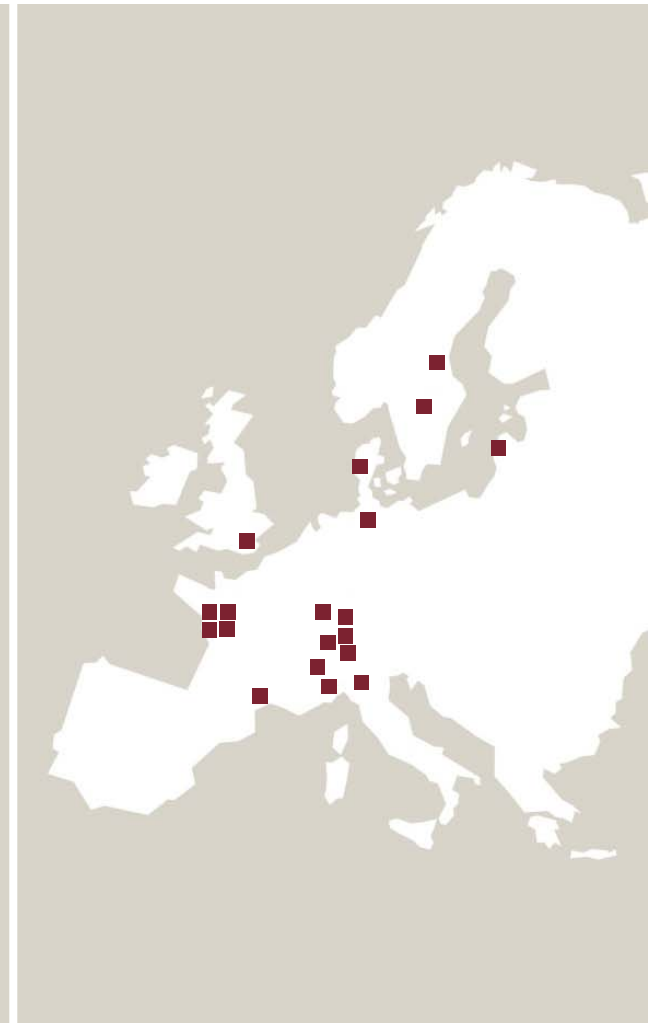
Machinery, components, systems and services for the glass container industry

Sales CHF 400 m  
Employees 1 100

## No. 1 market positions

- Kuhn Group                      worldwide in fodder harvesting machinery and feed mixers
- 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 mobile hydraulics
- Emhart Glass                  worldwide in glass container production equipment

# Manufacturing sites worldwide



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

- Strengthening the existing five divisions, primarily through organic growth and secondarily through selective acquisitions
- Concentrating on improving operational efficiency
  - Weathering the downturn as best as possible
  - Getting ready for the next upswing
  - EBIT margin as the key indicator of operating performance
  - RONOA after tax as the most important financial indicator
- Maintaining a solid balance sheet and adequate liquidity to allow rapid action

## Group and division earnings targets

EBIT margin	Targets	2008	2007	2006	2005	2004
Kuhn Group	11	12.4	11.6	**9.3	8.4	8.3
Bucher Municipal	8	*7.4	6.6	5.4	4.2	2.2
Bucher Process	9	12.4	10.9	7.6	5.9	4.1
Bucher Hydraulics	11	*11.3	15.1	12.6	9.9	8.6
Emhart Glass	9	8.4	7.9	7.0	5.2	6.9
<b>Bucher Industries</b>	<b>9</b>	8.8	9.3	5.9	6.0	5.6

\* before impairment charges \*\* restructuring

### Group and divisions

RONOA after tax	>16	18.5	23.8	14.3	14.8	12.1
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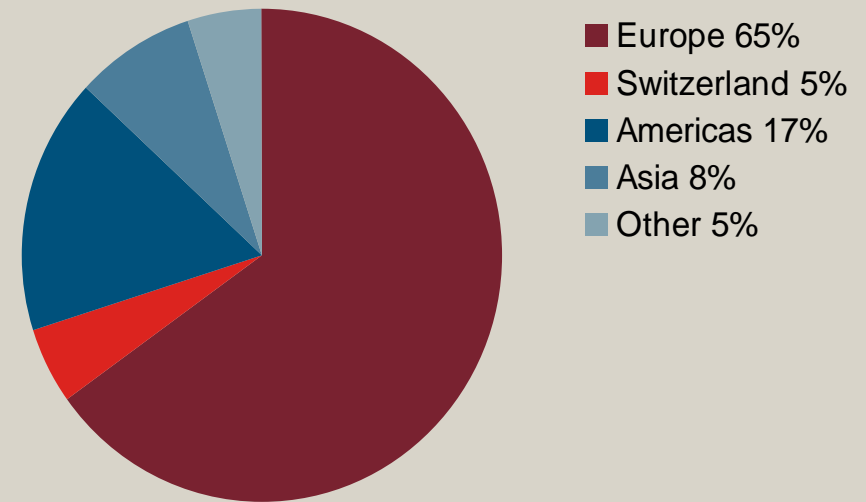
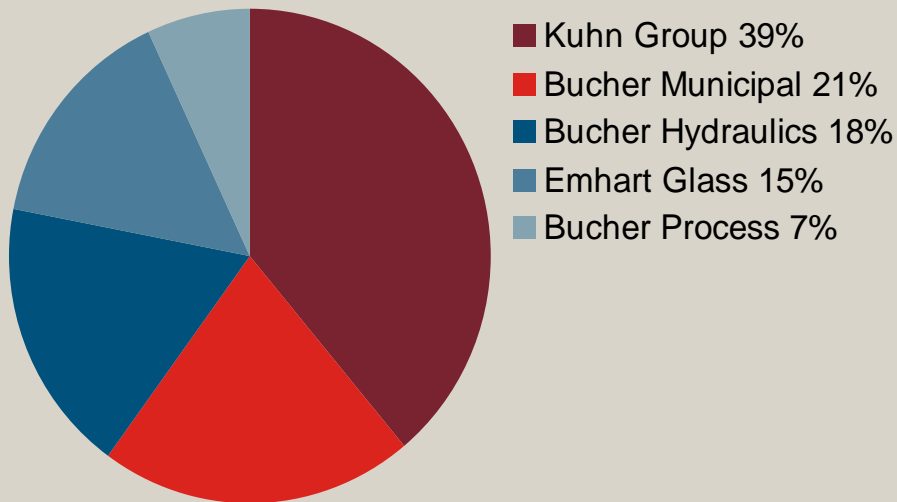
## Group at a glance in 2008 / 2009

- Record year of 2008 after a long phase of growth
  - Sales doubling to CHF 2.8 billion since 2002; CAGR >14%
  - EBITDA margin >12%, EBIT margin 10%
- Kuhn Group's business in hay and forage harvesting machinery strengthened with sprayers and balers/bale wrappers
- Bucher Hydraulics' market position/presence expanded in the USA
- Global economic crisis affecting all the divisions (at 30.09.09)
  - Order intake down 41%
  - Sales down 24%
  - Manpower reduced by 1452 people or 17% in 2009, excluding acquisitions
- Placement of a 5-year CHF 200 million bond at  $3\frac{1}{8}\%$

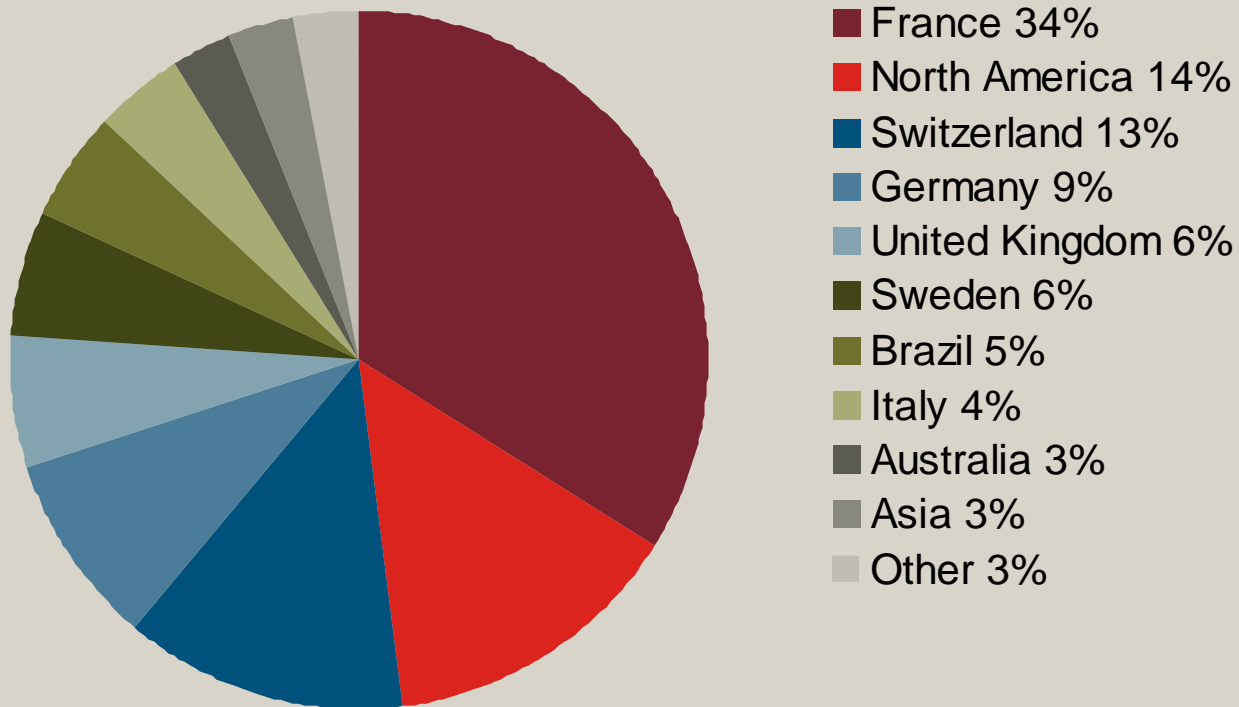


# Net sales by division and region in 2008

CHF 2 789 million



## Number of employees by region in 2008



## Key figures

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

## Investing in the future

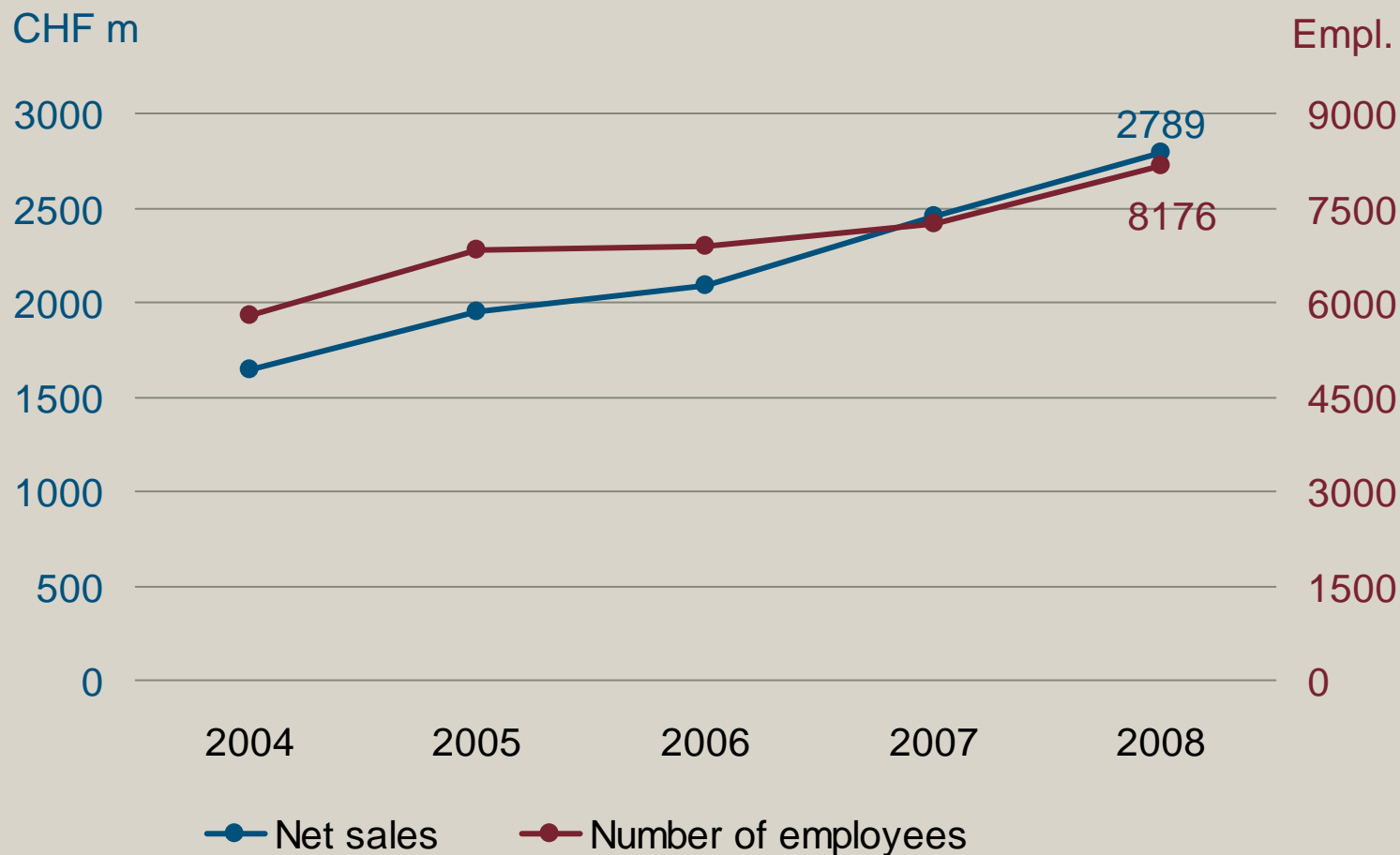
CHF million	2008	2007	% change
Development expenses	78	71	9.8
Capital expenditure on property, plant and equipment	131	131	-0.2
Acquisitions	152	30	

## Division results

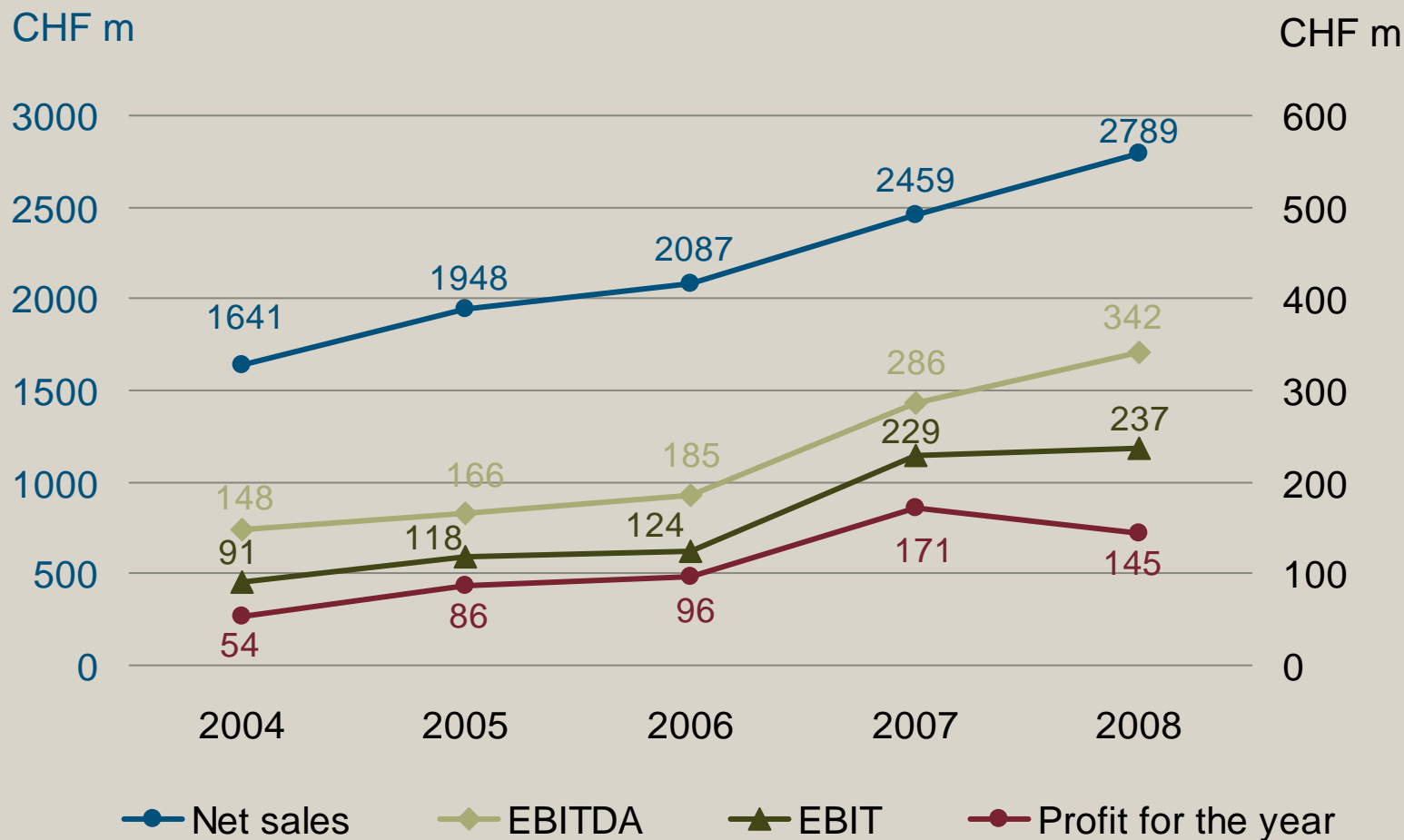
CHF million	2008		2007	
	EBIT	EBIT margin	EBIT	EBIT margin
Kuhn Group	137	12.4%	108	11.6%
Bucher Municipal*	43	7.4%		
	38	6.6%	37	6.6%
Bucher Process	24	12.4%	19	10.9%
Bucher Hydraulics*	56	11.3%		
	31	6.3%	59	15.1%
Emhart Glass	35	8.4%	33	7.9%
Other/consolidation	-19		-27	
<b>Bucher Industries*</b>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

\* Before / after impairment charges

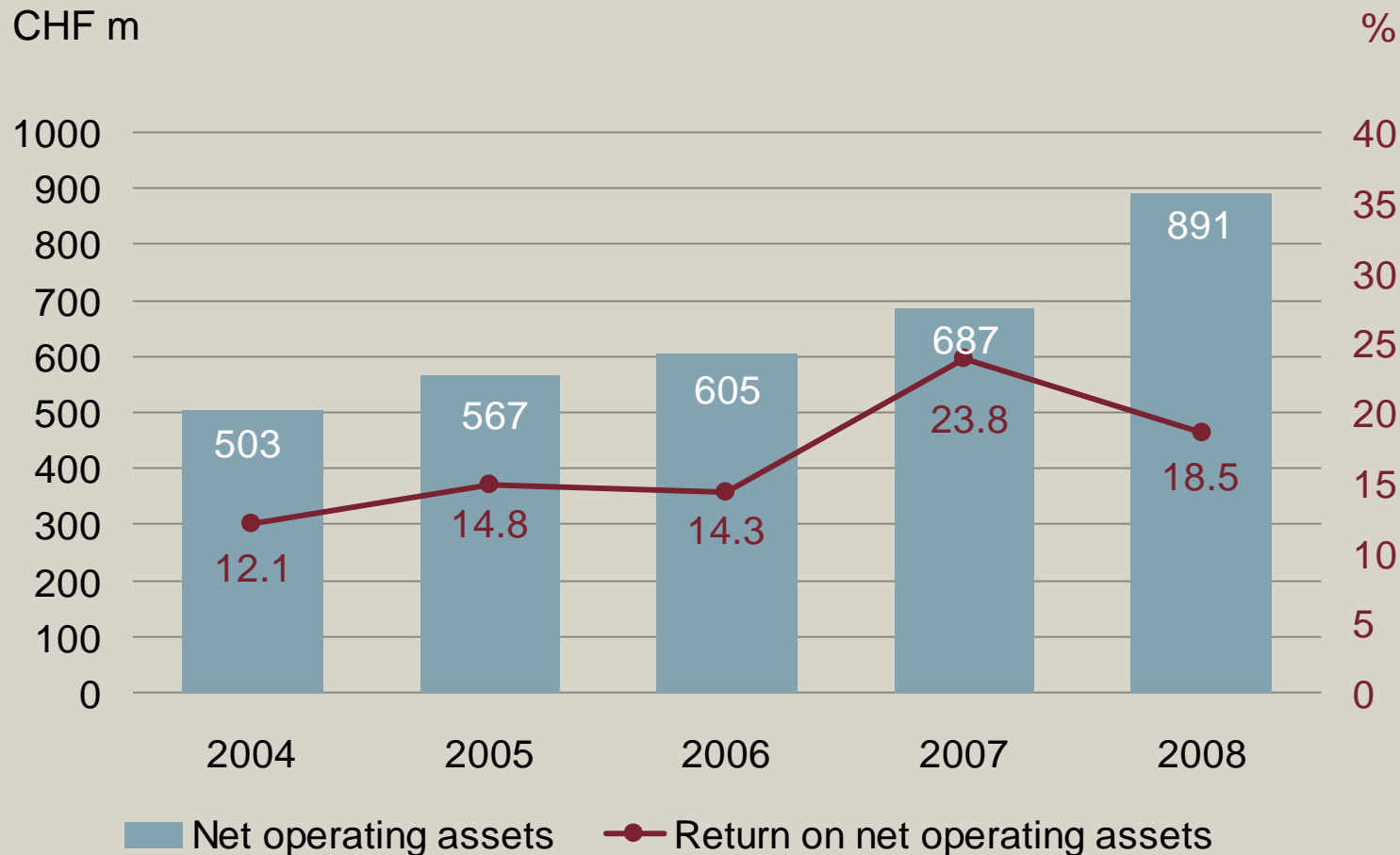
## Net sales and number of employees



# Net sales and results

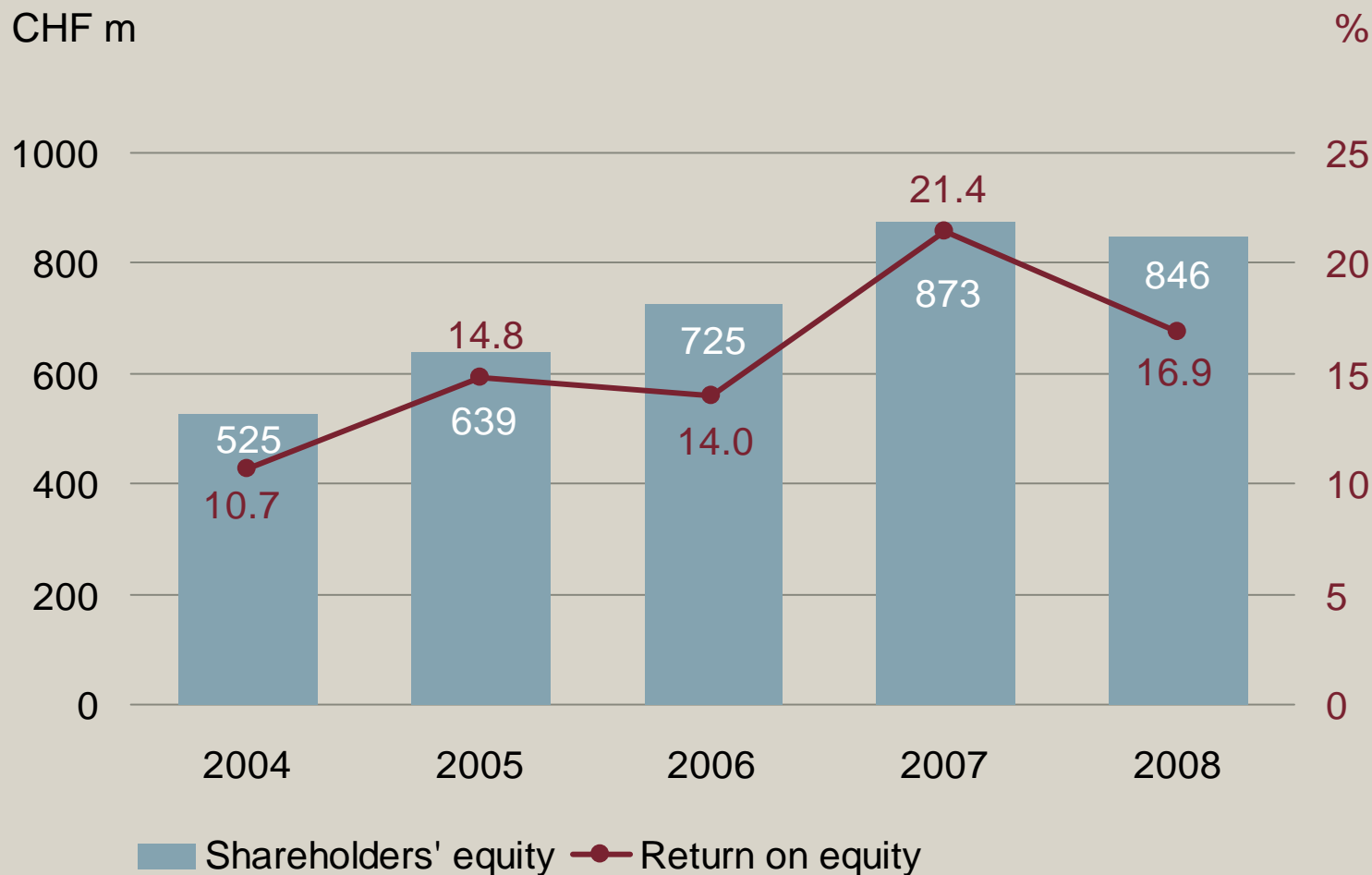


# Net operating assets (NOA) and return on net operating assets after tax (RONOA)

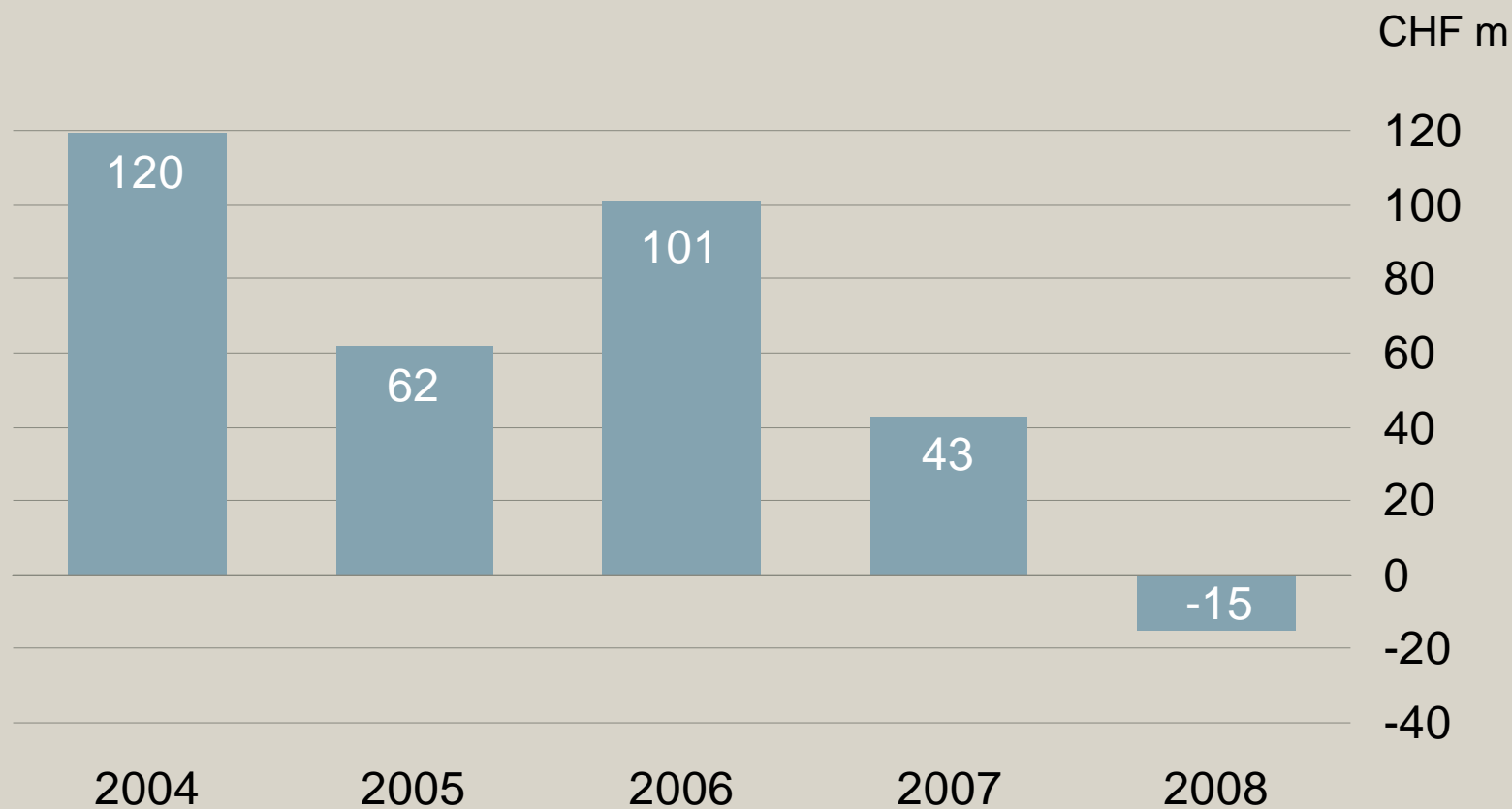




# Shareholders' equity and return on equity (ROE)



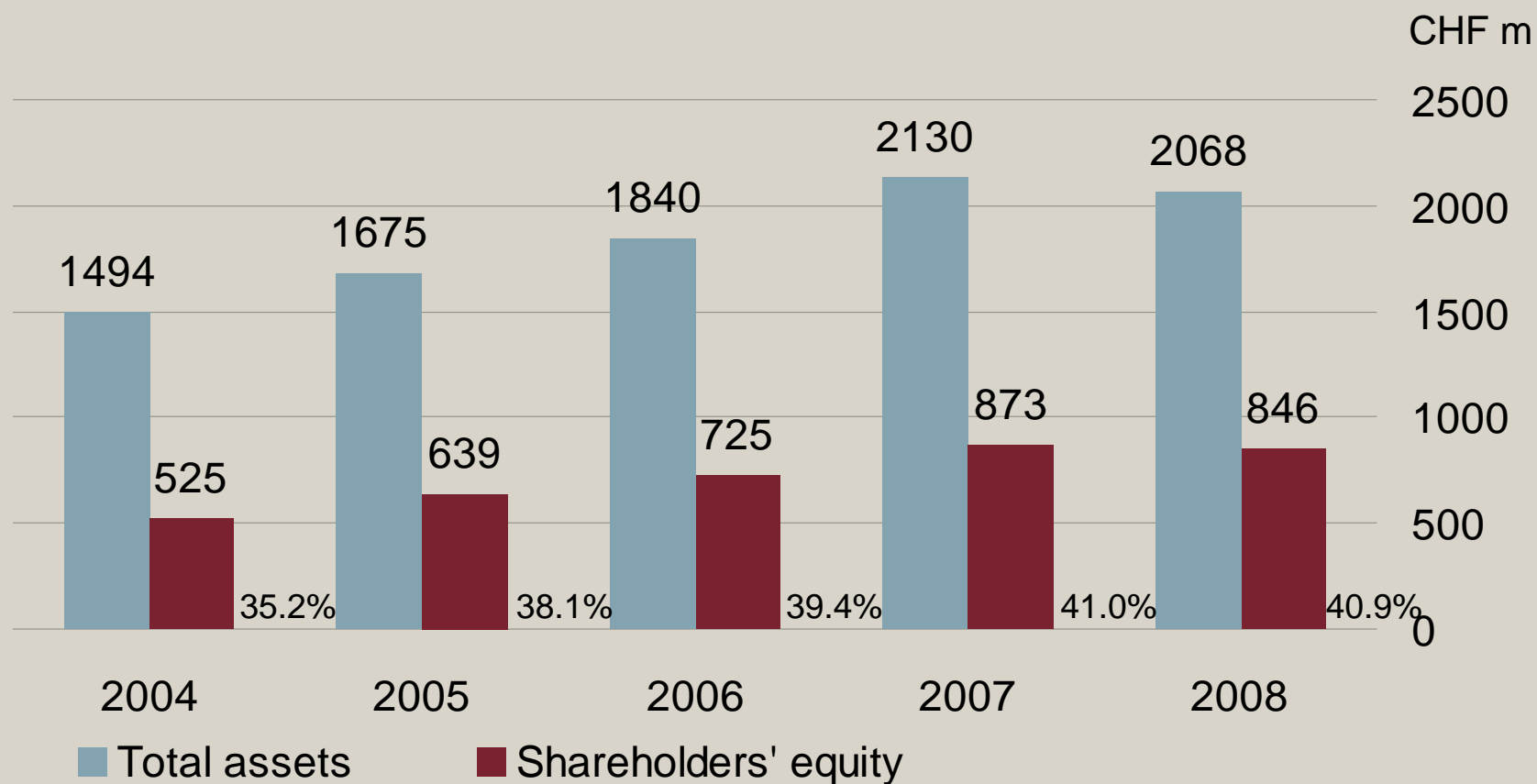
## Operating free cash flow



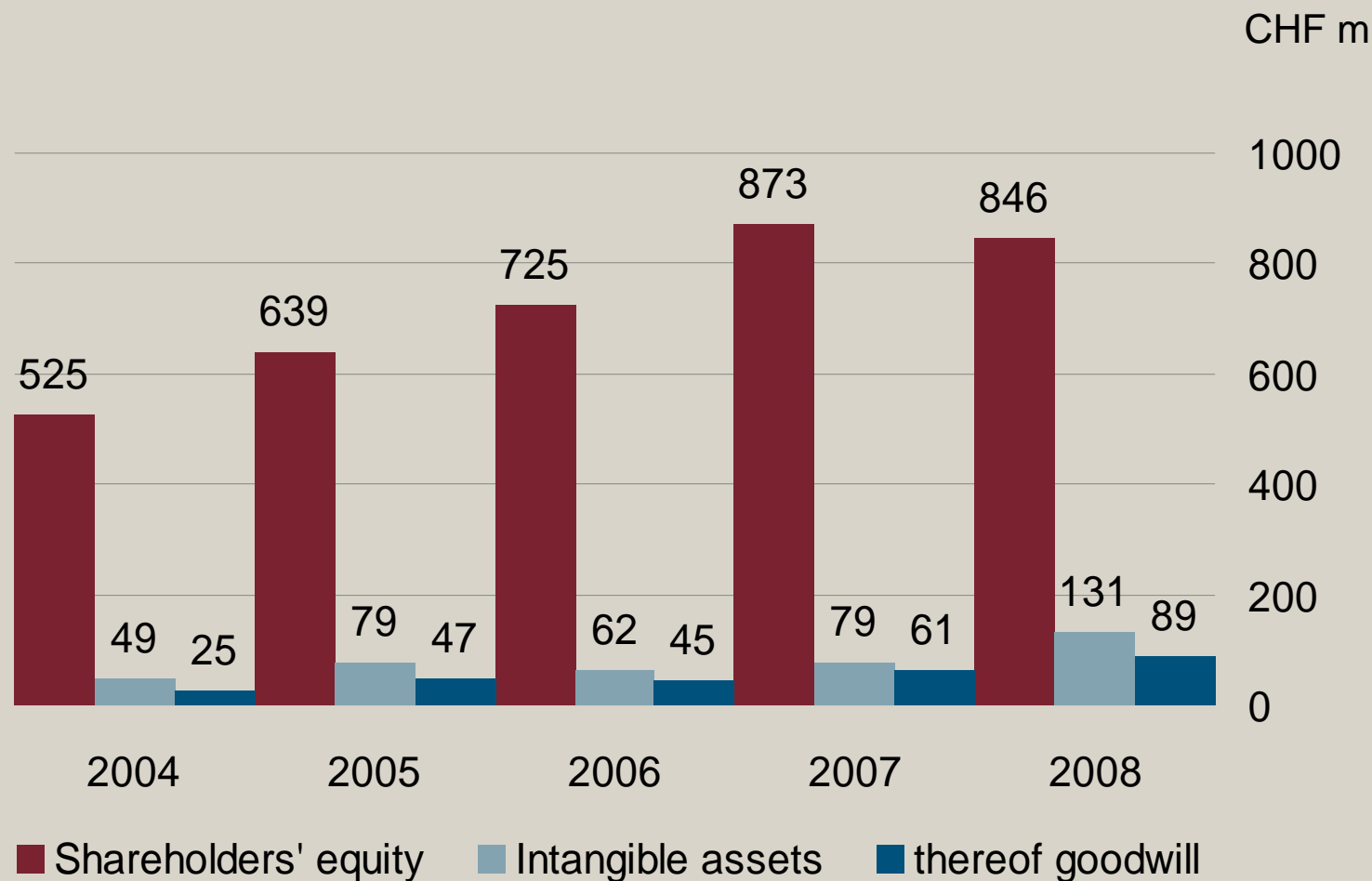
# Net liquidity and free cash flow



## Total assets and Shareholders' equity



## Shareholders' equity / Intangible assets



## Group outlook for 2009

- Continuing uncertainty surrounding forecasts and currencies
- Eastern Europe, Russia and Brazil hard hit, along with the main sales markets of Western Europe and the USA
- Customers facing problems financing projects, leading to delays, downsizing and cancellations
- Performance additionally weighed down by importers, dealers and OEMs running down their inventories
- All divisions expected to remain operationally profitable
- Impairment charges of CHF 50-100 million possible
- Sales expected to decline by 25-30%
- An operating and net profit for the year before impairment, but significantly down on last year

# Kuhn Group

## Specialised agricultural machinery



Ploughing



Tillage



Seeding



Fertilisation



Manure spreaders



Spraying

Hay & forage  
harvesting

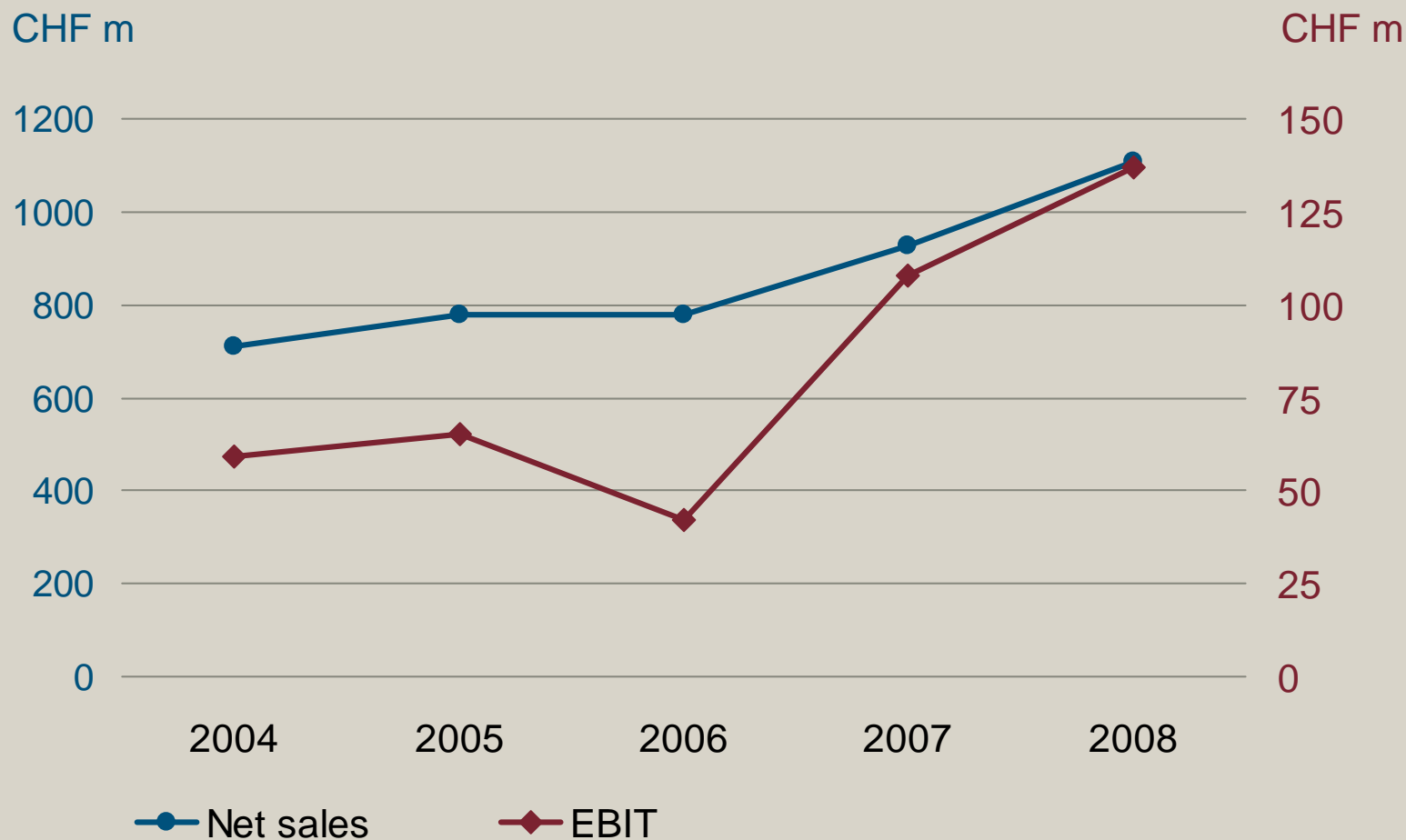
Feed storage



Bedding &amp; feeding

Landscape  
maintenance

# Kuhn Group Net sales and EBIT

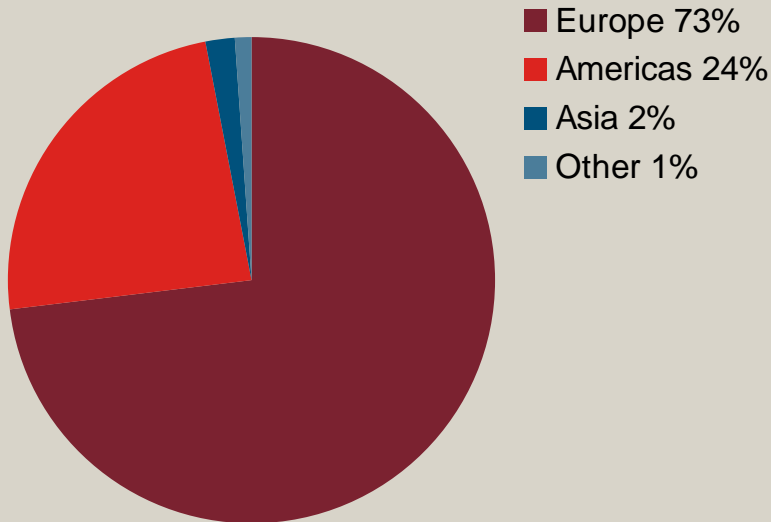




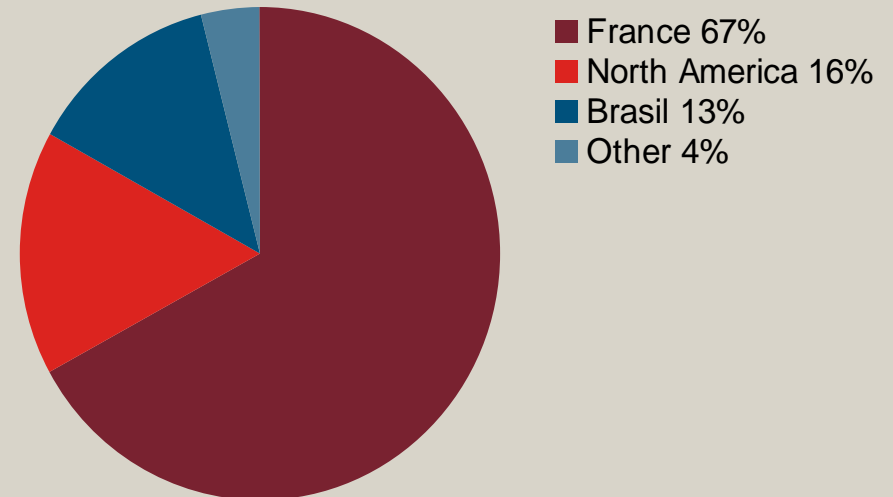
# Kuhn Group

## Net sales and number of employees 2008

Net sales  
CHF 1 106 m



Number of employees  
3 384 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

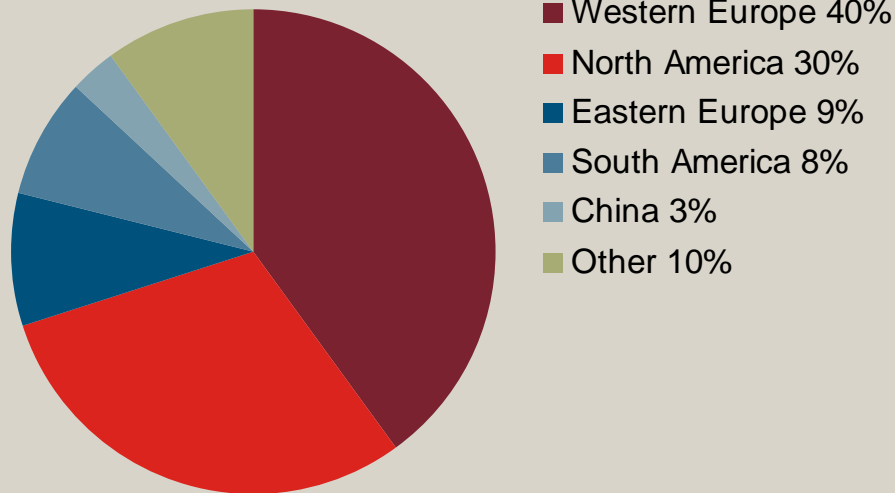
## Complete product range under one brand

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

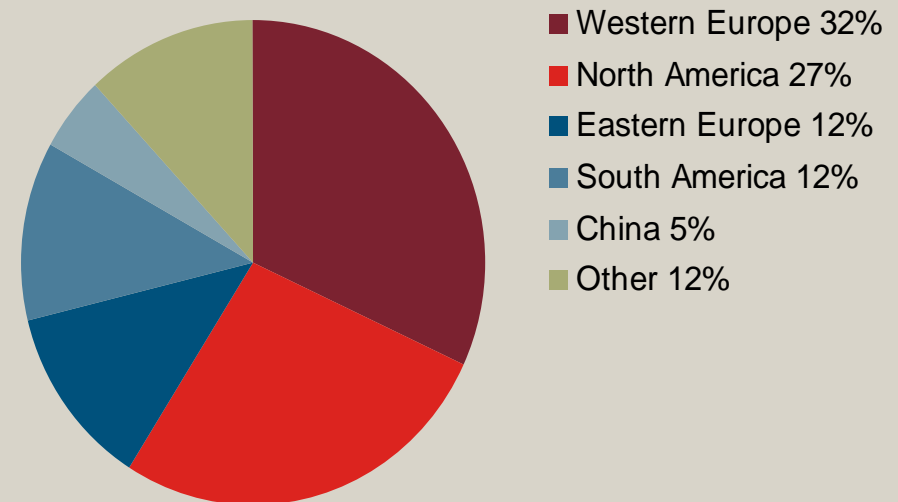
# Kuhn Group

## World market for agricultural machinery

2005  
Total USD 42 billion



2015  
Total USD 45 billion



# Kuhn Group

## 2008 / 2009 highlights

- Very good performance in 2008
  - CHF 1.1 billion in sales, up 26% in local currency
  - Order intake up 24% in local currency despite the crisis in the fourth quarter
  - High profitability: EBIT of CHF 137 million, up 27%; EBIT margin of 12.4%
- Product portfolio selectively strengthened by acquisitions
  - Blanchard: sprayers (2008 sales: EUR 25 million)
  - Geldrop: balers and bale wrappers (2008 sales: EUR 117 million)
- Agricultural machinery also affected by the 2009 downturn
  - Performance weighed down by credit crisis, currencies and low milk prices
  - Elevated inventories in the dealer network required adjustment in production
  - Marked drop in sales and order intake
- Manpower reduced by 18% in 2009, excluding acquisitions

# Kuhn Group Outlook for 2009

- Weak economic conditions and sluggish lending
  - Affecting all regions, in particular Eastern Europe, Russia and North America
  - Milk and meat prices likely to have bottomed out at a low level
  - Reduced production in the second half due to destocking by dealers
- Lower profitability due to the shift in the product mix towards small batches of complex machinery
- Flexible cost structures allowing capacity to be adjusted without high restructuring costs
- Long-term future prospects for agriculture are intact
- Considerably lower sales and EBIT margin expected

# Bucher Municipal Sweepers and winter maintenance equipment



Compact sweepers



Truck mounted sweepers



Spreaders

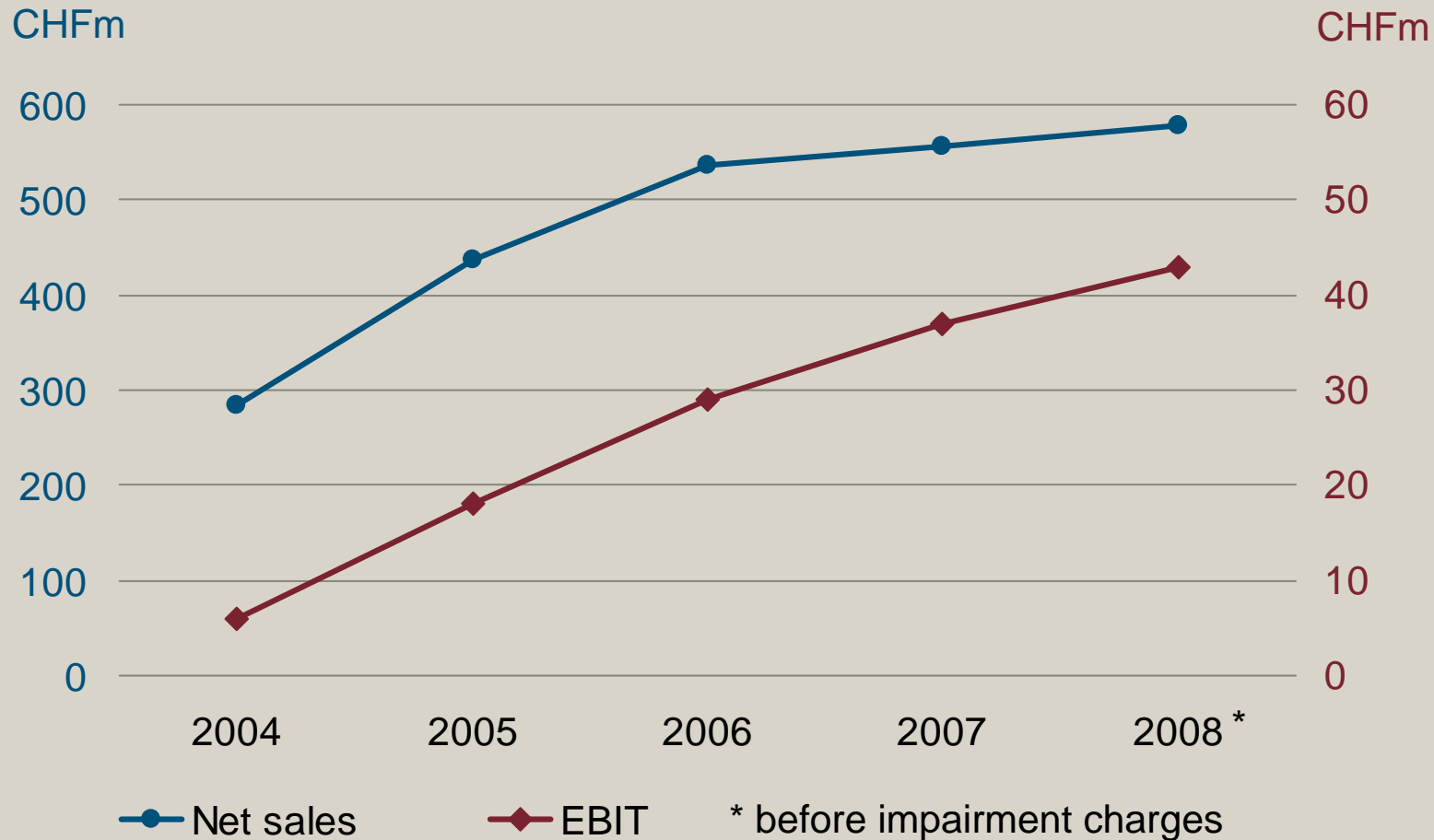


Snow blowers



Refuse collection vehicles

# Bucher Municipal Net sales and EBIT

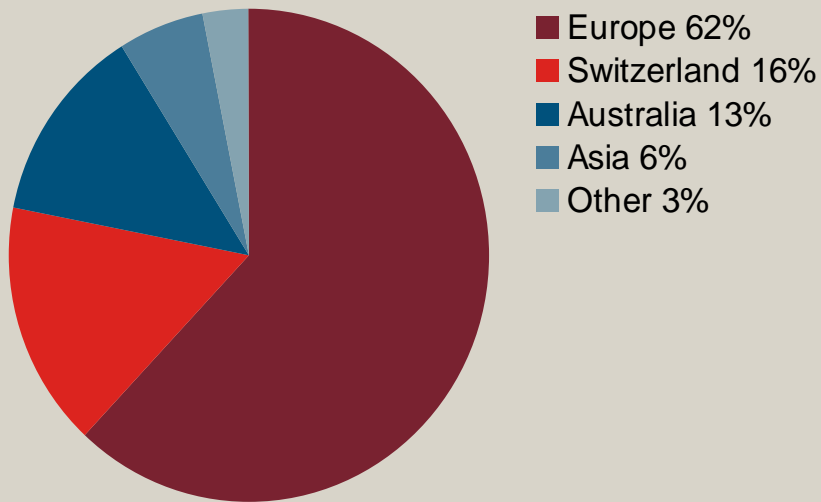




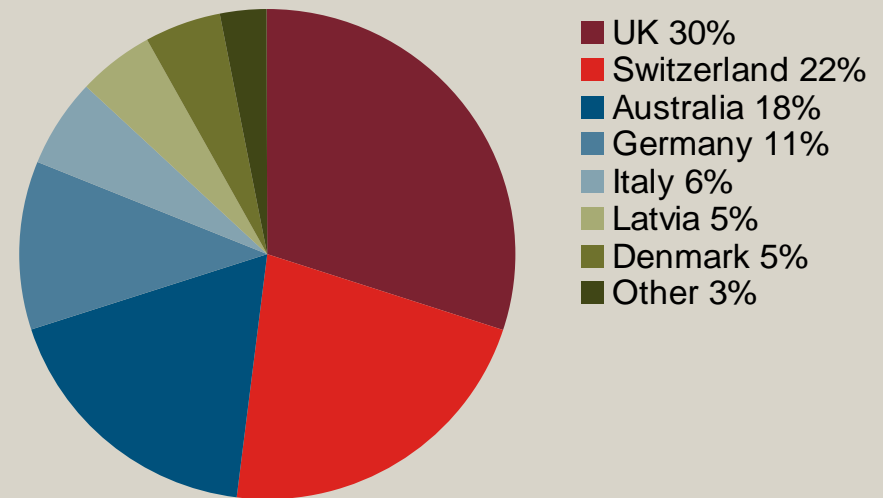
# Bucher Municipal

## Net sales and number of employees 2008

Net sales  
CHF 579 m



Number of employees  
1 569 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
Bucher (CH)											
Johnston (UK)											
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

## 2008 / 2009 highlights

- Good performance at record levels in 2008
  - High sales of CHF 579 million and lower order intake of CHF 528 million
  - Operating EBIT margin of 7.4%, outpacing the industry average
  - Good demand in Europe and Australia, along with export successes in Thailand
  - Winter maintenance business fuelled by snowy winter
  - Continued expansion of the Latvian assembly and component plant
- Municipal vehicle business also hit by the economic crisis
  - Private sweeper fleet operators rapidly halting capital spending
  - Local authorities acting cautiously in anticipation of lower tax revenues
  - High pricing pressure due to manufacturers' overcapacity
- Continuation of development projects
  - New generation of sweepers with a common parts strategy
  - Prototype of fuel-cell-driven compact sweeper tested in Switzerland

# Bucher Municipal Outlook for 2009

- No signs of a rapid recovery in demand
  - No impact of government economic stimulus programmes felt so far; growing trend towards covert national protectionism
  - Effects of lower tax revenues in 2010 unclear
  - Private sweeper fleet operators remaining cautious
  - A few major contracts seem to be open for tenders
  - Positive side effects of the harsh winter 2008/9 should be felt
- Manpower reduced by 10% in 2009
- Assembly to be transferred and Latvian operations expanded in Q1 2010 with restructuring costs of approx. CHF 10 million
- Following the absolute record high in 2008, sales are expected to be considerably lower with reduced profitability

# Bucher Process

## Wine and fruit juice production equipment



Destemmers



Pneumatic tank presses



CF filtration systems



Reverse osmosis systems



Mills



Hydraulic presses



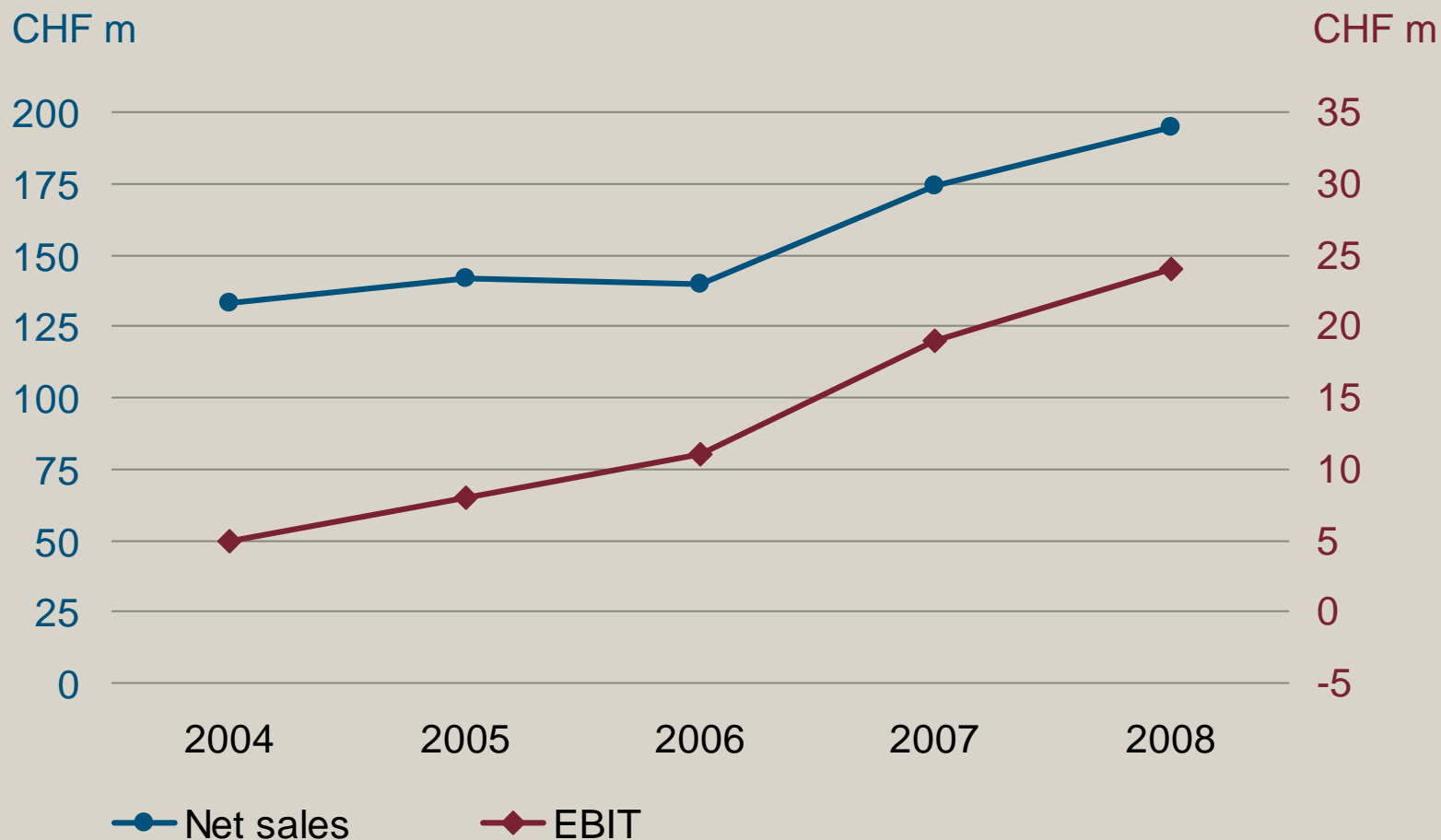
Ultrafiltration systems



Evaporators

# Bucher Process

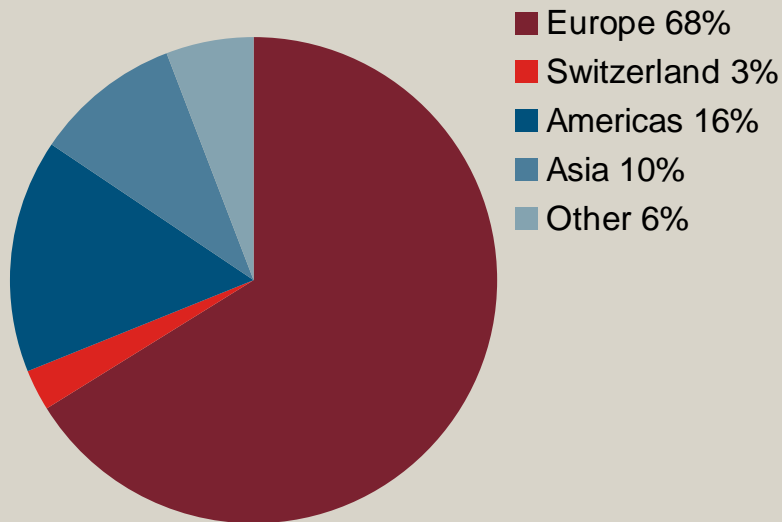
## Net sales and EBIT



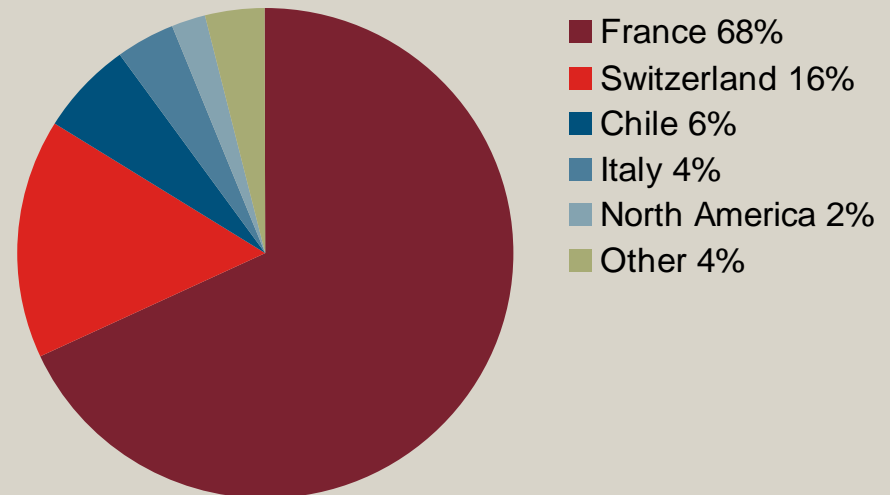
# Bucher Process

## Net sales and number of employees 2008

Net sales  
CHF 195 m



Number of employees  
533 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)						

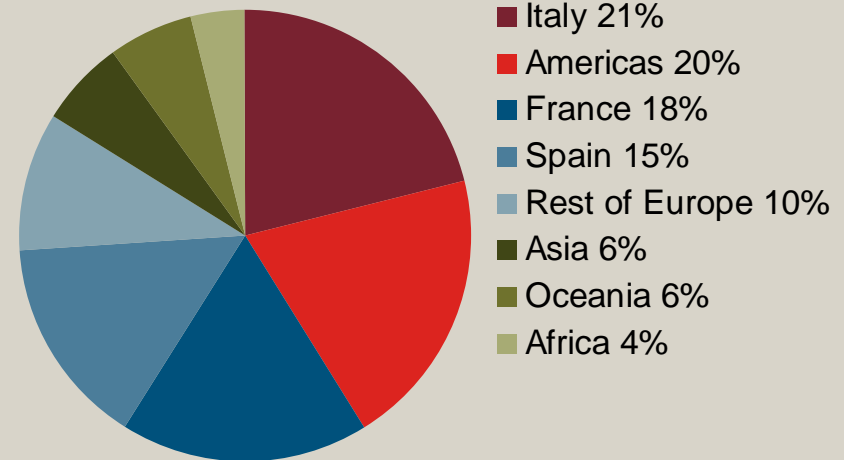
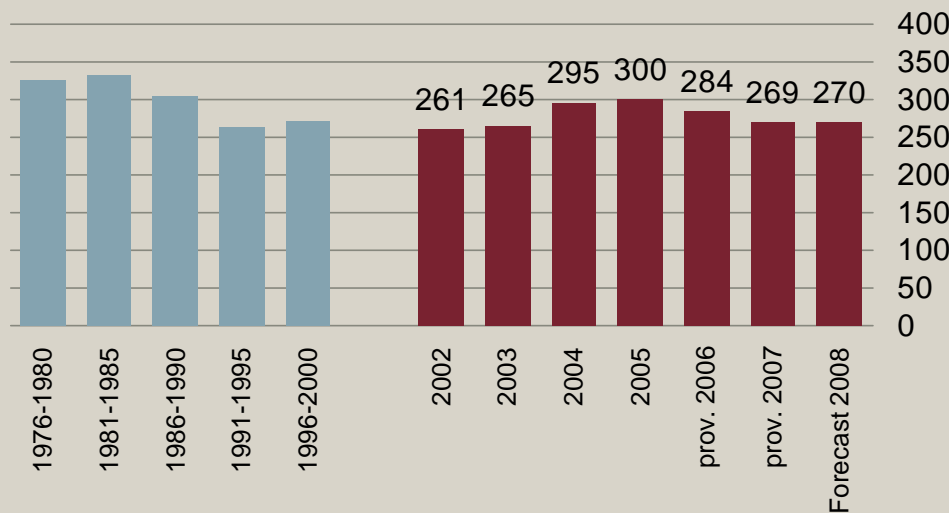
### Juice production

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

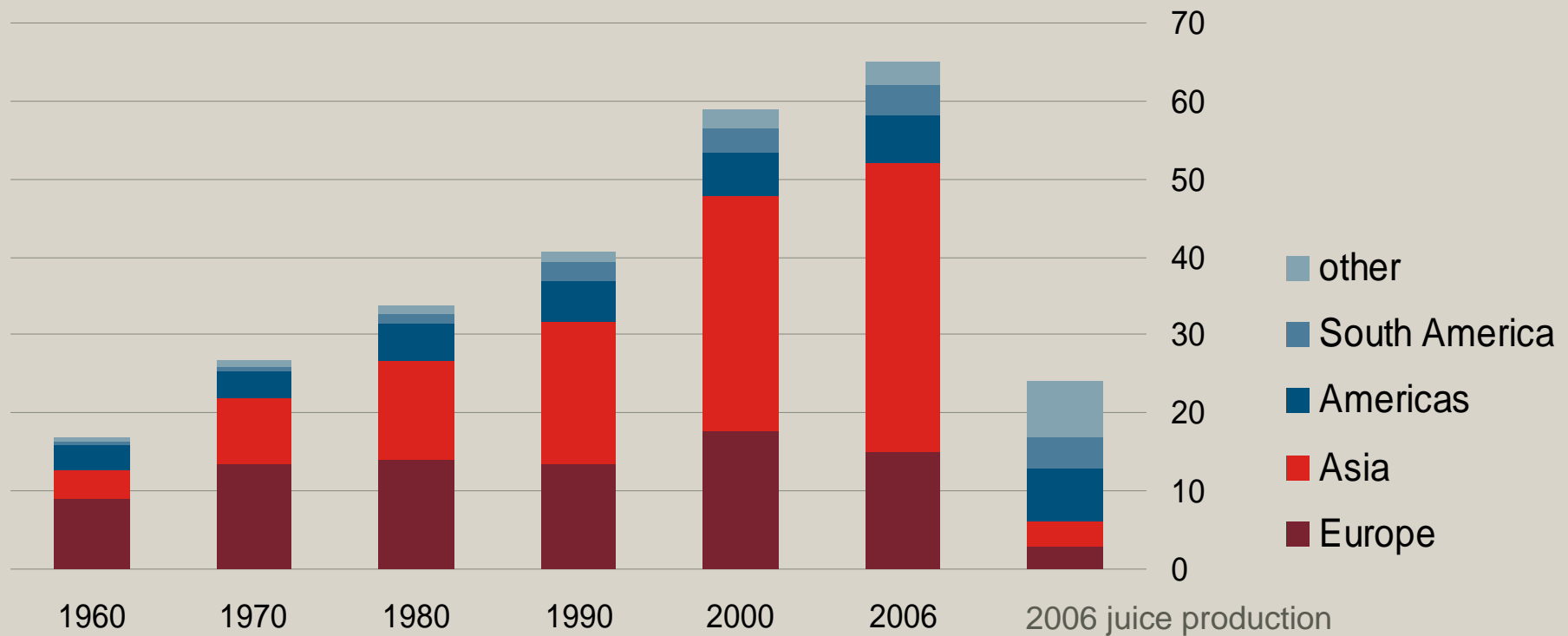
Million hl



Source: OIV, Wein Weltkonjunkturbericht

# Bucher Process

## World apple production 1960 - 2006



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

# Bucher Process

## 2008 / 2009 highlights

- The division enjoyed a record year in 2008
  - Sales of CHF 195 million and an EBIT margin of 12.4%
  - Solid demand for winemaking equipment in the main markets
  - Southern hemisphere severely hit by the onset of the financial crisis
  - Excellent handling of the major orders worth CHF 40 million to supply equipment for producing apple juice concentrate to the UK and China
  - New orders for sludge dewatering equipment
- Downsizing and holding up in 2009
  - Transfer of wine press and filter production from the small facilities in Italy and France to the main Chalonnnes plant in France
  - Importance of preserving expertise for the anticipated rebound in winemaking equipment in the period 2010–2013

# Bucher Process Outlook for 2009

- Expected to be a difficult year for the division
  - Projects delayed because of restrictive lending practices
  - Subsidies announced in Europe for winemaking equipment delaying capital-spending decisions for 2009, but having a positive impact from 2010
  - Capital spending curbed by falling prices of apple juice concentrate
  - No major projects for apple juice concentrate (2008: CHF 40 million)
- Increasing success with sludge dewatering equipment; 2009 sales should reach CHF 5 million
- Manpower reduced by 10% through measures such as transferring production of winemaking equipment
- Considerably lower sales and an operating profit expected, despite the seasonal first-half loss

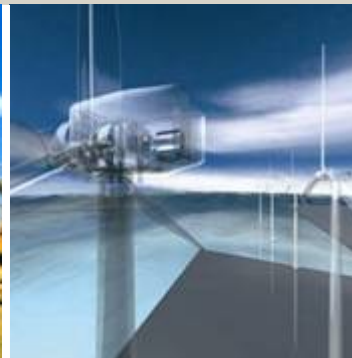
## Bucher Hydraulics Custom drive solutions



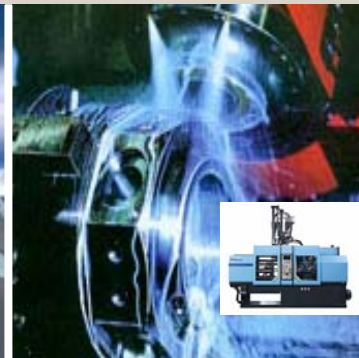
Agricultural machinery



Mining / tunnelling



Wind energy



Mechanical engineering



Municipal equipment



Construction equipment



Materials handling



Elevator hydraulics

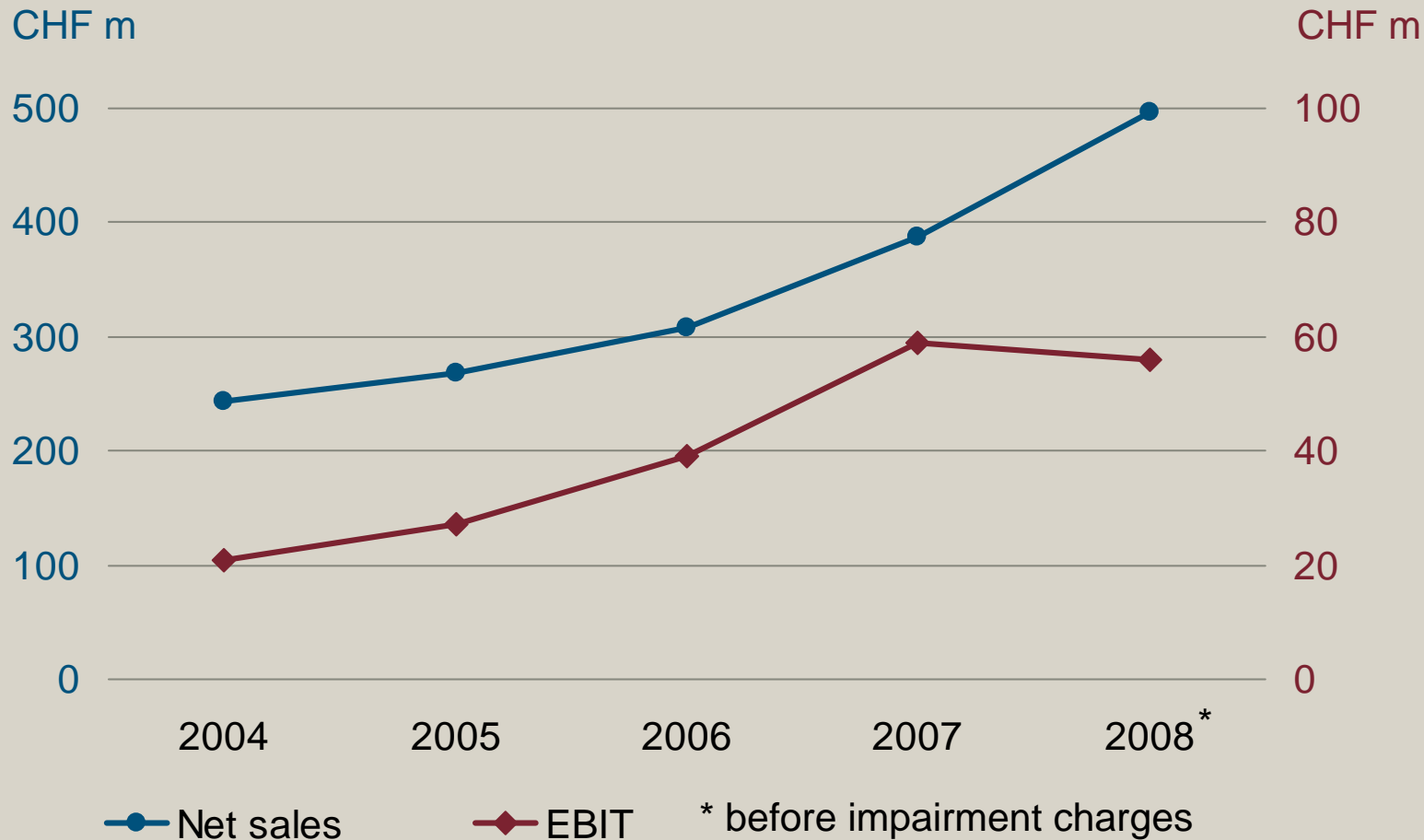


Marine / offshore



Power engineering

# Bucher Hydraulics Net sales and EBIT

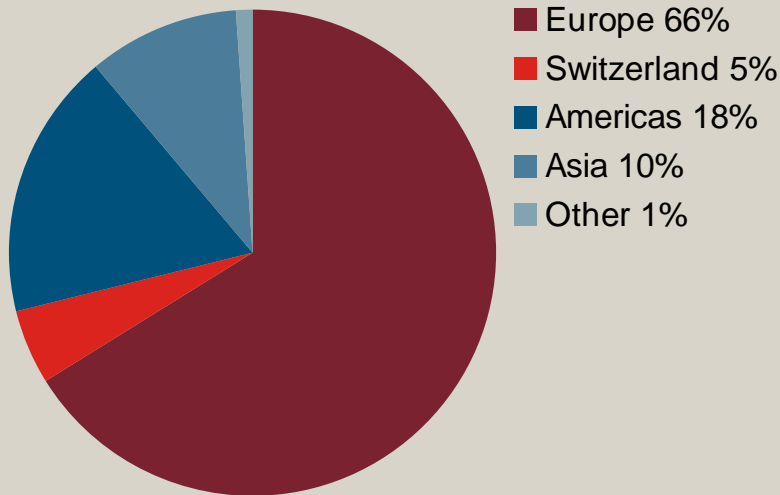




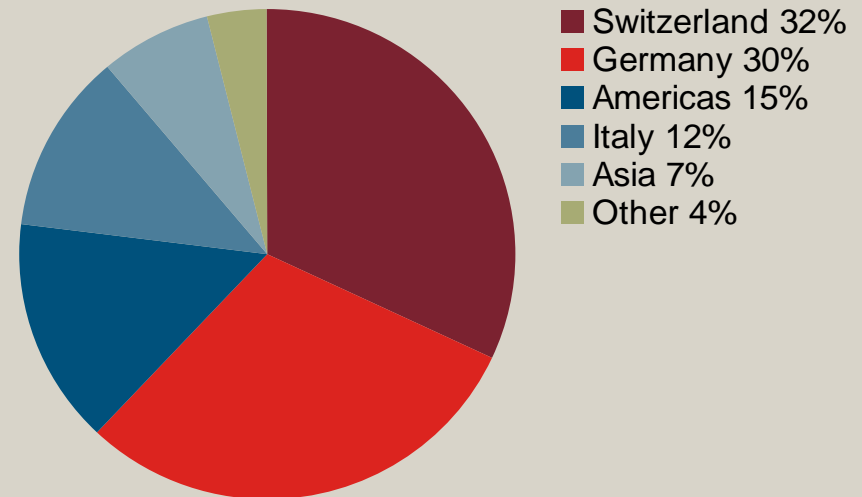
# Bucher Hydraulics

## Net sales and number of employees 2008

Net sales  
CHF 497 m



Number of employees  
1 614 persons



# Bucher Hydraulics

## Market position

- Leading specialist in mobile, industrial and elevator hydraulics across Europe; built up presence in 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), Husco (USA), Denison (USA) and a large number of other German and Italian manufacturers

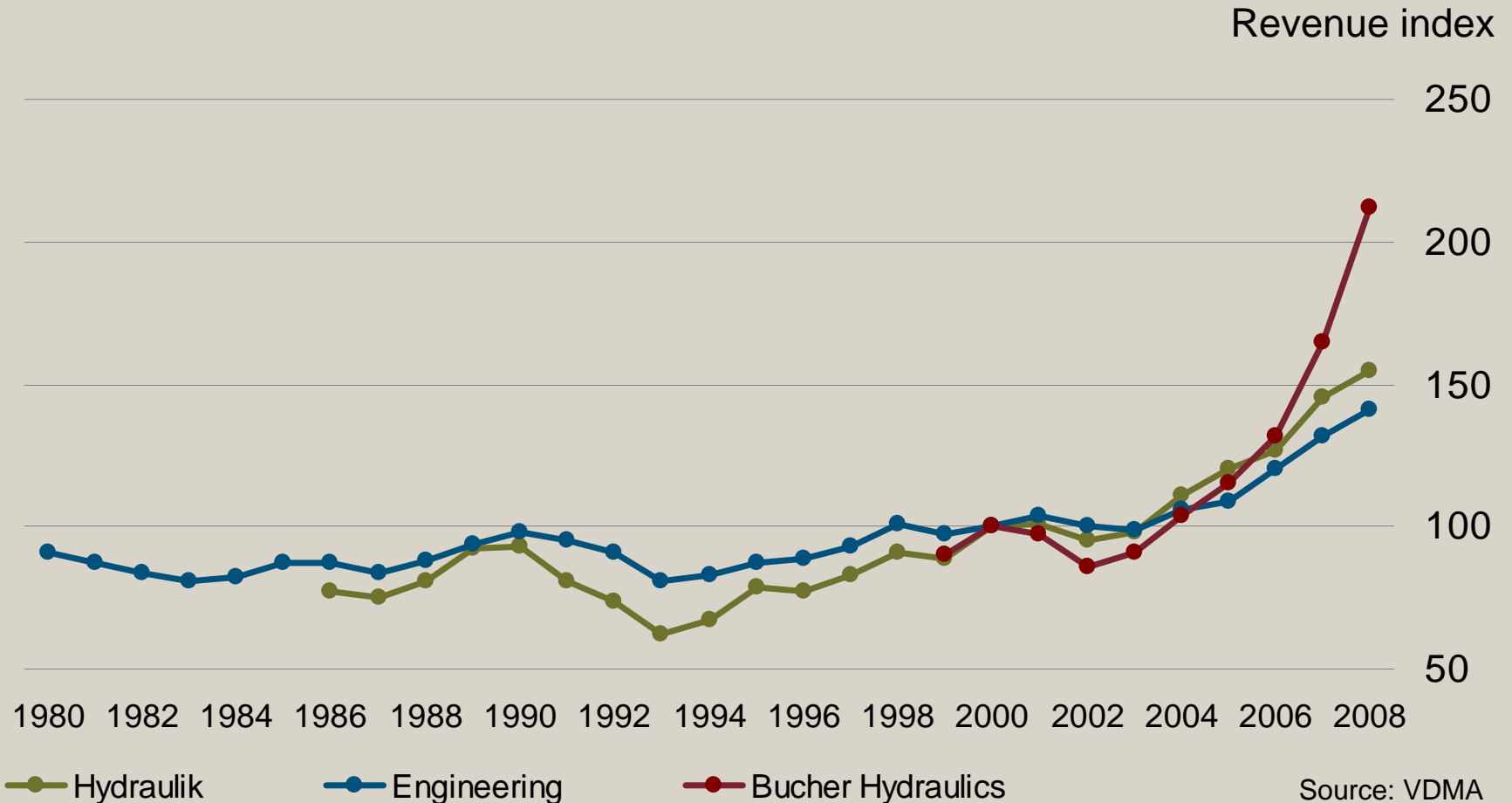
# Bucher Hydraulics

## 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

## Segment growth rates



# Bucher Hydraulics

## 2008 / 2009 highlights

- Very good performance for three quarters and a massive slump in the fourth quarter of 2008
  - All important market segments except agricultural machinery affected
  - Capacities fully utilised and in some cases strained until October 2008
- Position expanded in the USA
  - Integration of Monarch Hydraulics Inc. since the beginning of 2008
  - Purchase of Command Controls Corp. (US cartridge valves) late in 2008
- Agricultural machinery segment now affected too in 2009
- Slump in order intake (-50%) less severe than the industry average
- Manpower reduced by more than 26% up to the end of September 2009

# Bucher Hydraulics Outlook for 2009

- No significant recovery expected this year
  - Operations as a component supplier depend directly on customers' performance
  - Customers' destocking is nearing an end
  - All market segments incl. agricultural machinery affected by the sharp downturn
- Order intake should stabilise at a very low level
- Uncertain forecasts because the timing and extent of the recovery remain very difficult to gauge
- Further downsizing measures cannot be ruled out, but will be undertaken judiciously to preserve expertise
- Considerably lower sales and operating profit expected for 2009

# Emhart Glass

## Glass container manufacturing equipment



Gob forming



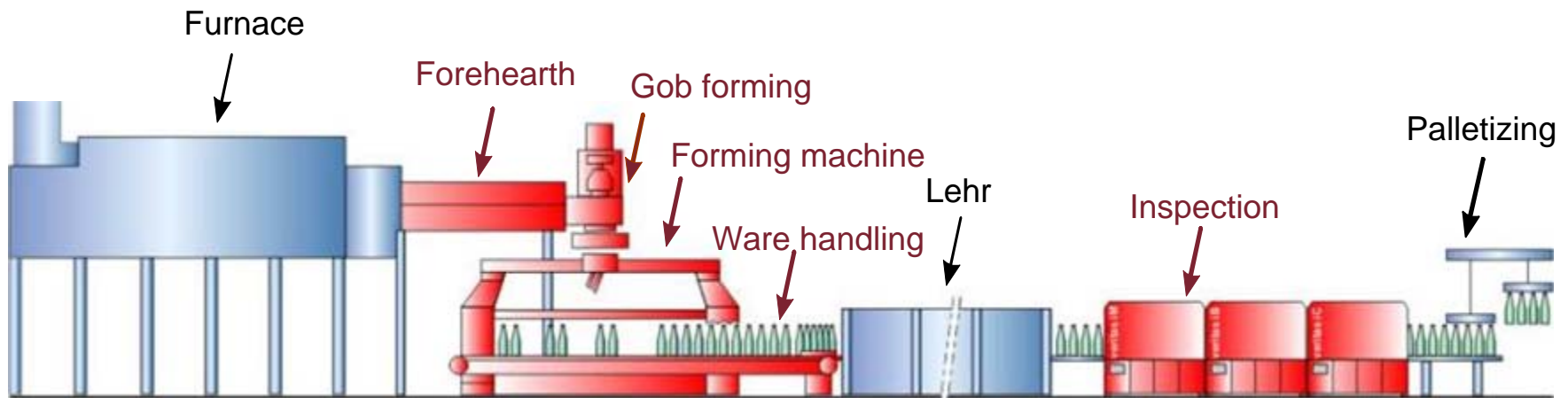
Glas forming machine



Ware handling



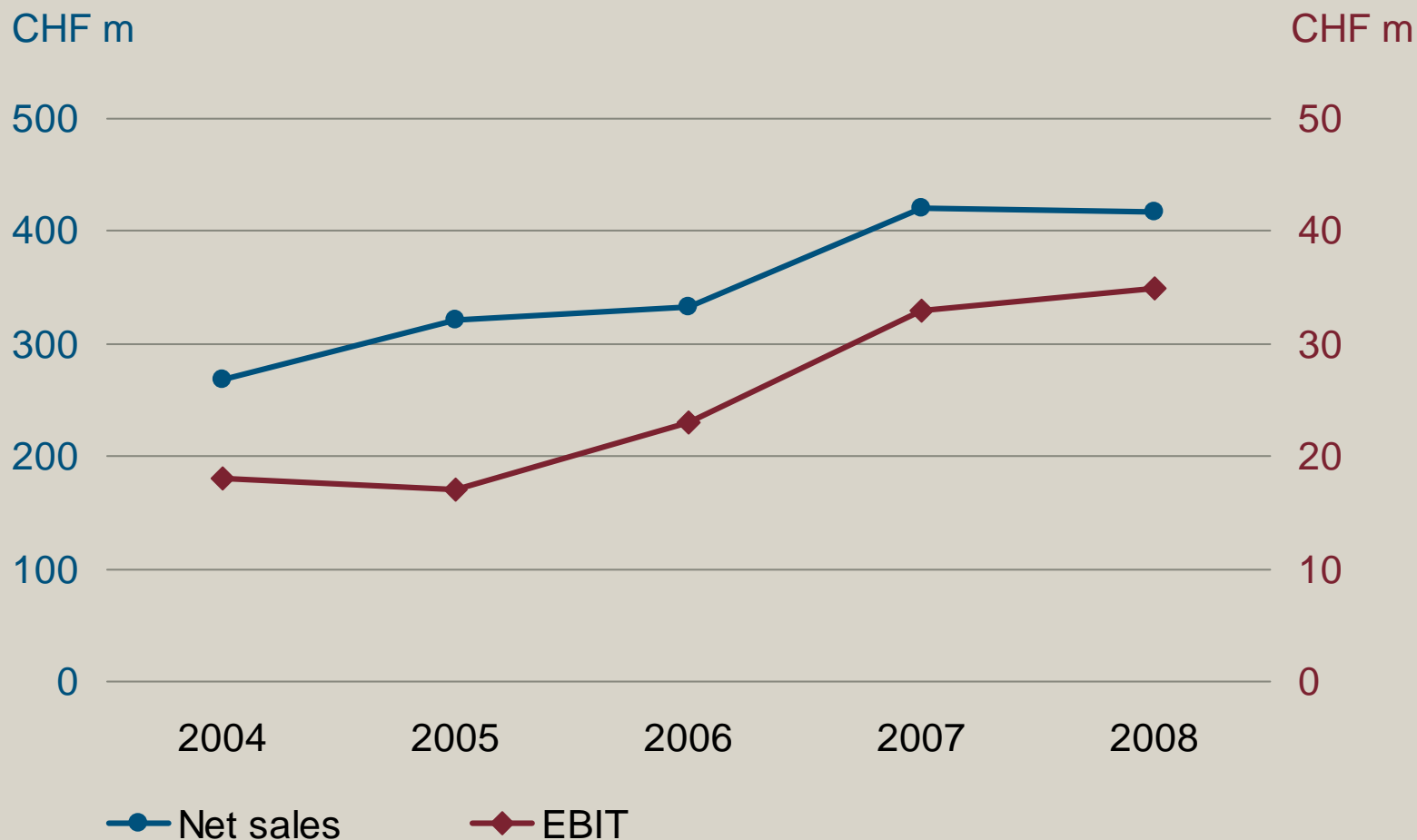
Inspection



Glass container manufacturing process

# Emhart Glass

## Net sales and EBIT

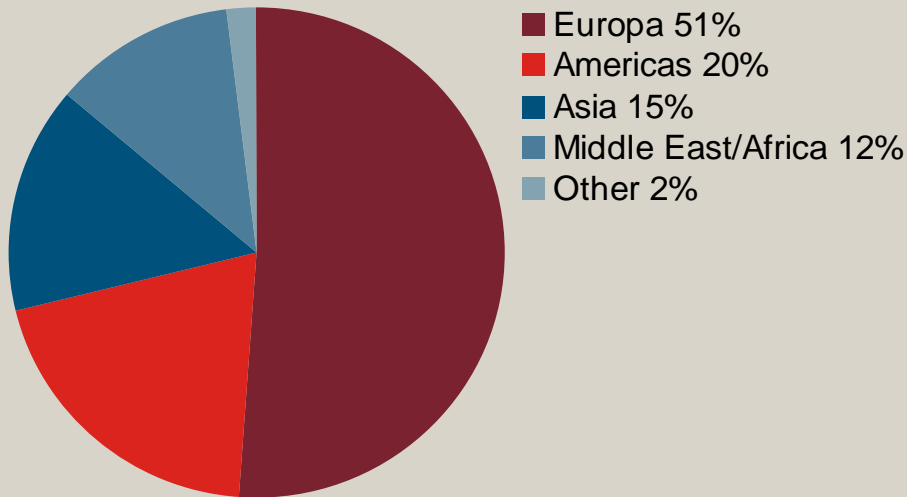




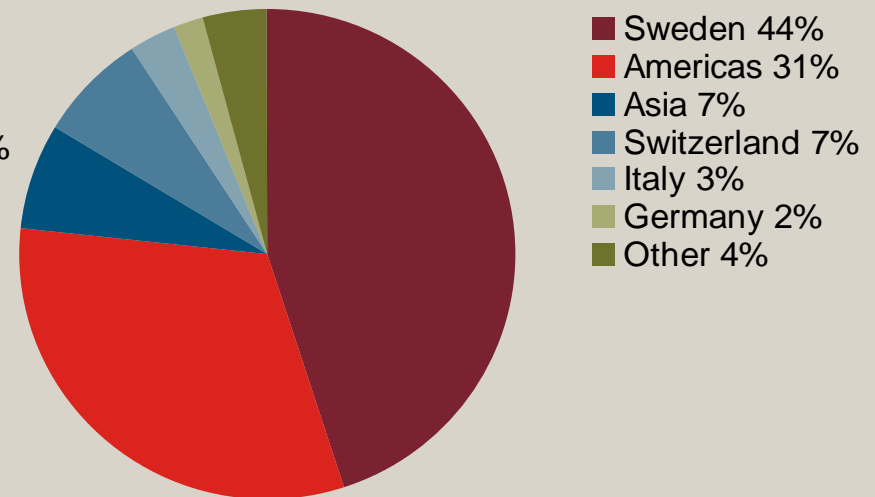
# Emhart Glass

## Net sales and number of employees 2008

Net sales  
CHF 418 m



Number of employees  
1 058 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				Lehr	Inspection	Palletizing	Wrapping
					NIS	AIS	IS	Ware handling				
<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

## 2008 / 2009 highlights

- Good operating performance in 2008
  - Sales of CHF 418 million at the record 2007 level and EBIT at CHF 35 million
  - Strong demand with good glass container prices
  - Heavy capital spending on expanding and modernising glass container manufacturing facilities
  - Very high and constant capacity utilisation rate
- Development reinforced by R&D centre
  - Tempered glass machines on track; optimisation for industrial viability
  - New inspection machine replacing three previous models
- Malaysian assembly plant commissioned in early 2009
- Marked slowdown in demand necessitated a 16% reduction in manpower

# Emhart Glass Outlook for 2009

- Lower capital spending in the glass container industry
  - Glass container prices now falling after the price rise in 2008
  - High capacity expansion by customers in previous years
  - Considerable impediments to financing capital-intensive projects
  - Projects deferred, scaled back and cancelled
- Eastern Europe, Russia and South America harder hit than Western Europe, the Middle East and Asia
- Sales performance supported by the high proportion of spare parts business
- Further-reaching downsizing measures cannot be ruled out due to the dim market outlook for 2010
- Lower sales and reduced profitability expected