

**Annual press conference and  
annual analyst conference**  
15 March 2012

# Annual press conference and annual analyst conference

**BUCHER**

Annual report 2011



## Group at a glance

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

## Group at a glance (continued)

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

# Successful acquisitions pro forma for whole of 2011

CHF million	Kuhn Krause	Sanjin	Maquias- falt	Rauch	<b>Total</b>
Net sales	74	56	9		<b>139</b>
Net profit	5	3	1		<b>9</b>
Expected EBITDA margin	>12%	>13%			
Number of employees <sup>1)</sup>	290	1 180	16		<b>1 486</b>
Purchase price	28	33	3	8	<b>72</b>

<sup>1)</sup> At 31 December 2011

## Key figures

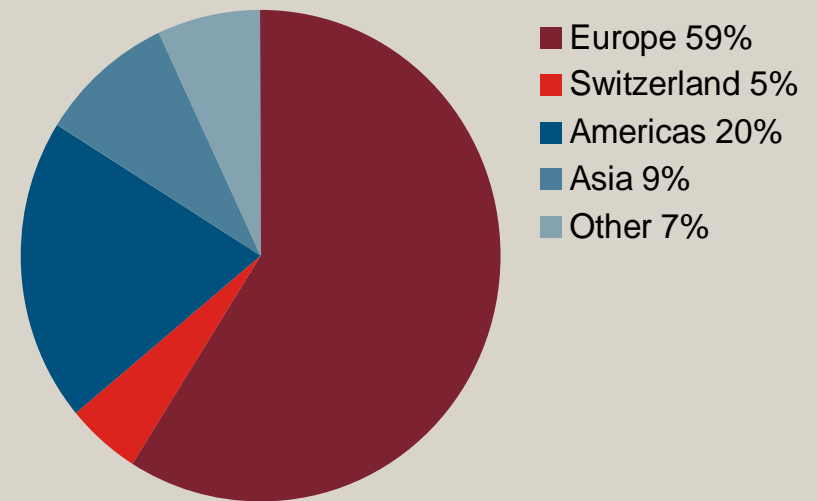
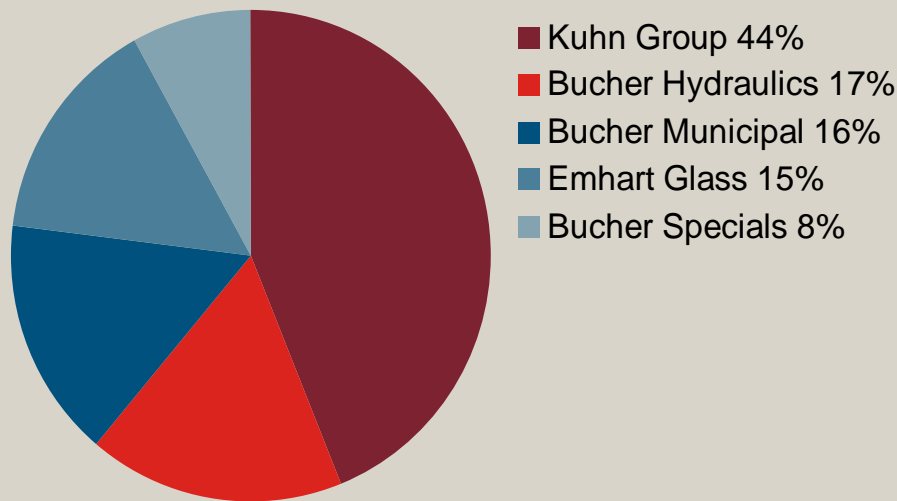
CHF million			% change		
	2011	2010	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	2 588	2 217	16.7	29.3	24.7
Net sales	2 336	2 034	14.9	27.2	22.0
Order book	923	663	39.2	55.0	41.6
Operating profit (EBITDA) as % of net sales	260 11.1%	224 11.0%	16.1		
Operating profit (EBIT) as % of net sales	190 8.1%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

1) Adjusted for currency effects

2) Adjusted for currency and acquisition effects

# Net sales by division and region in 2011

CHF 2 336 million



## Employee numbers

	<b>2011</b>	<b>2010</b>	<b>% change</b>
At 31 December	10 136	7 899	28.3
Average during year	9 380	7 639	22.8
Net sales per employee (CHF)	249 000	266 200	-6.5
Excluding acquisitions:			
At 31 December	8 650	7 899	9.5
Average during year	8 512	7 639	11.4
Net sales per employee (CHF)	291 400	266 200	9.5



## Investing in the future

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

# Kuhn Group Specialised agricultural machinery



Ploughing



Tillage



Seeding



Fertilisation



Manure spreaders



Spraying



Hay & forage  
harvesting



Feed storage



Bedding & feeding



Landscape  
maintenance

# Kuhn Group

## 2011 highlights

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

# Kuhn Group 2011 highlights

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



# Kuhn Group

## Key figures

CHF million	% change				
	2011	2010	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	1 166	976	19.5	35.0	28.1
Net sales	1 026	851	20.6	36.3	28.8
Order book	506	357	41.8	60.3	46.5
Operating profit (EBITDA) as % of net sales	148 14.4%	113 13.3%	30.9		
Operating profit (EBIT) as % of net sales	116 11.3%	78 9.2%	48.0		
Number of employees at 31 December	4 230	3 593	17.7		9.7

1) Adjusted for currency effects

2) Adjusted for currency and acquisition effects

# Kuhn Group Outlook for 2012

- Good long-term prospects
  - Growing population
  - Eating habits shifting towards more meat and dairy products
  - Need to produce a higher yield per hectare at lower cost
- Bright short-term prospects
  - Good conditions in the main markets
  - Normal inventories at dealers
  - Farmers expect favourable income situation to continue
  - No uncertainty about subsidies
- Confidence for 2012
  - Further improvement in sales and operating profit
  - But growth rates well down on previous year

# Bucher Municipal Sweepers and winter maintenance equipment



Compact sweepers

Truck mounted sweepers



Spreaders

Refuse collection vehicles

# Bucher Municipal 2011 highlights

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





# Bucher Municipal

## Key figures

CHF million	% change				
	2011	2010	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	449	381	18.1	27.4	27.1
Net sales	380	373	1.9	9.9	9.5
Order book	153	89	72.9	86.7	85.2
Operating profit (EBITDA) as % of net sales	35 9.1%	35 9.4%	-2.0		
Operating profit (EBIT) as % of net sales	27 7.0%	27 7.3%	-2.6		
Number of employees at 31 December	1 530	1 334	14.7		13.5

1) Adjusted for currency effects

2) Adjusted for currency and acquisition effects

# Bucher Municipal Outlook for 2012

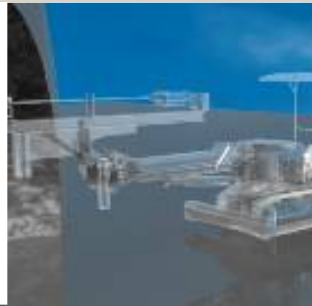
- Market volumes declined by 30% since record year of 2008
- Stabilisation of demand at 2010/2011 level
- Persistence of competitive pressure expected
- Full capacity utilisation until mid-year thanks to major contract from Moscow, also contributing to improvement in sales and profit
- Completion of change to new generation of sweepers
- Continuation of product innovation for emission-free sweepers
- Higher sales, improved operating profit and increase in profitability expected

# Bucher Hydraulics

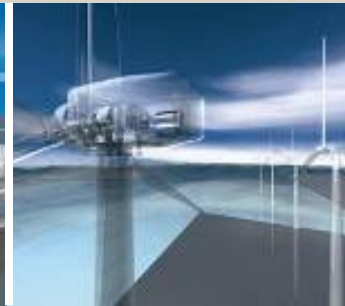
## Custom drive solutions



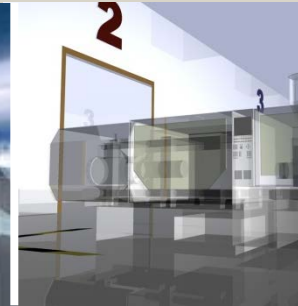
Agricultural  
machinery



Mining/  
tunnelling



Wind energy



Industrial



Municipal  
vehicles



Liftgates



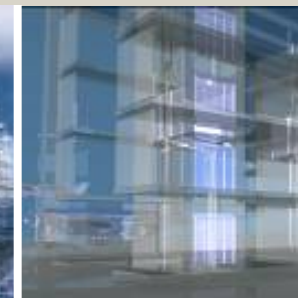
Construction  
equipment



Materials  
handling



Marine/  
offshore



Elevator  
technology



High-voltage  
switch gear

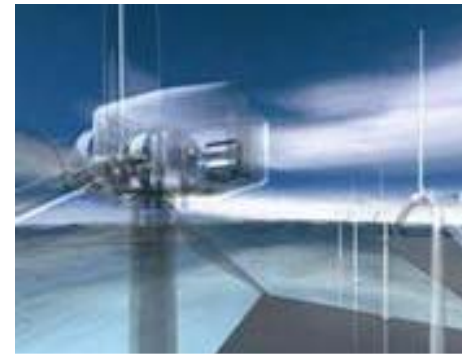


Dyna-Lift

# Bucher Hydraulics

## 2011 highlights

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



# Bucher Hydraulics

## Key figures

CHF million			% change	
	2011	2010	%	% <sup>1)</sup>
Order intake	406	387	5.1	15.2
Net sales	399	371	7.5	17.7
Order book	69	63	9.5	21.0
Operating profit (EBITDA) as % of net sales	52 13.1%	56 15.0%	-6.5	
Operating profit (EBIT) as % of net sales	35 8.7%	37 9.9%	-5.7	
Number of employees at 31 December	1 712	1 544	10.9	

<sup>1)</sup> Adjusted for currency effects

# Bucher Hydraulics Outlook for 2012

- Continued flattening of demand since mid-2011
- Slowdown in construction activity in China also affecting construction machine segment
- Impetus from projects with globally active customers expected
- Completion of expansion project at Klettgau manufacturing facility, Germany
- Growth in sales on a par with previous year and modest rise in profitability expected

# Emhart Glass

## Glass container manufacturing equipment



Gob forming



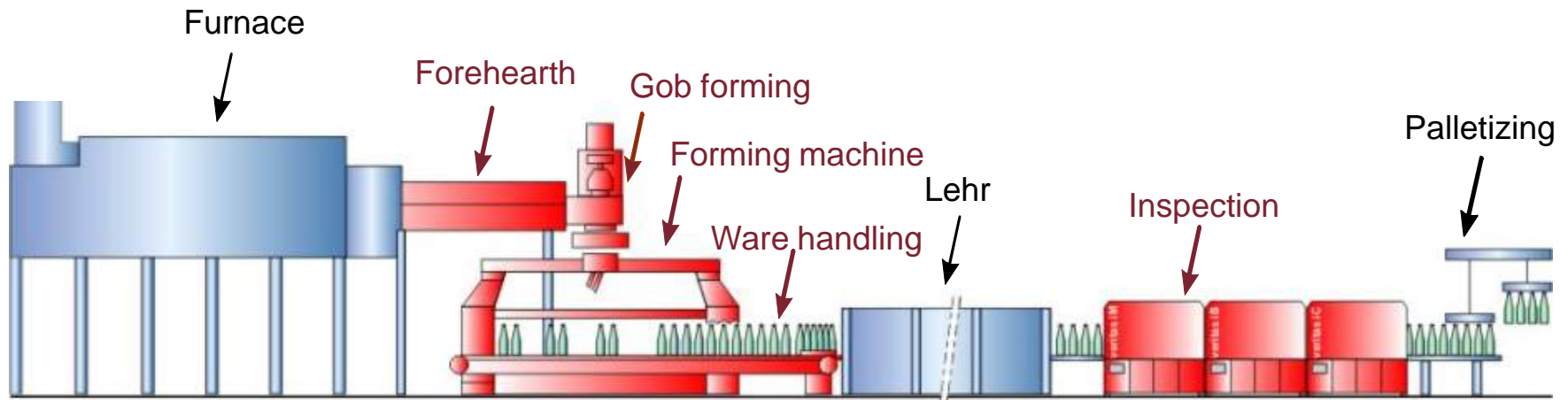
Glass forming machine



Ware handling



Inspection



Glass container manufacturing process

# Emhart Glass

## 2011 highlights

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





# Emhart Glass

## Joint venture mit Sanjin, China

- Acquisition of a 63% stake in Shandong Sanjin Glass Machinery Co. Ltd, with option to purchase 100%
- Sanjin is market leader in China for glass forming machinery
- Sanjin's market regions and product offering an ideal fit with Emhart Glass
- Purchase price of RMB 400 million, of which RMB 150 million through capital increase
- 2011 net sales of CHF 56 million, expected EBITDA margin for 2012 over 13% and around 1 200 employees



# Emhart Glass

## Key figures

CHF million	% change				
	2011	2010	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	358	285	25.4	40.2	32.0
Net sales	345	259	33.1	48.8	37.4
Order book	145	110	32.2	47.8	18.5
Operating profit (EBITDA) before restructuring	24	16	51.6		
Operating profit (EBITDA) as % of net sales	24 7.1%	11 4.3%	119.8		
Operating profit (EBIT) as % of net sales	15 4.5%	3 1.2%	413.3		
Number of employees at 31 December	2 134	874	144.2		9.2

1) Adjusted for currency effects

2) Adjusted for currency and acquisition effects

## Emhart Glass Outlook for 2012

- Sustained market dynamic in the glass container industry, but at a lower level than the previous year
- Strong demand expected from Asia, with completion of major order from India as an additional boost
- Growth and consolidation of Sanjin as sales and earnings pillar
- Western Europa and USA likely to weaken
- Good global set-up of division, with plants in Sweden, the USA, Malaysia and China
- Further improvement in sales and operating profit

# Bucher Specials

## Independent businesses

Winemaking equipment



Technologies for fruit juice and instant products



Agricultural distributorship for Switzerland



Horizontal grape presses



Hydraulic presses



New Holland tractor



Micro-filtration systems

Filtration systems

Round balers

# Bucher Specials 2011 highlights

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



# Bucher Specials

## Key figures

CHF million	% change				
	2011	2010	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	208	188	10.6	15.3	10.3
Net sales	201	187	7.3	12.4	6.4
Order book	50	45	10.9	15.0	2.3
Operating profit (EBITDA) as % of net sales	15 7.5%	11 5.9%	36.4		
Operating profit (EBIT) as % of net sales	12 6.1%	9 4.6%	43.0		
Number of employees at 31 December	511	535	-4.5		n.a.

1) Adjusted for currency effects

2) Adjusted for currency and acquisition effects

# Bucher Specials Outlook for 2012

- Market outlook for the independent businesses
  - Recovery in winemaking equipment, particularly in the key market of France
  - Good prices for apple juice concentrate underpins sales of equipment for fruit juice processing
  - Order intake for sludge dewatering systems should reach CHF 10 million
  - Stable demand in Swiss distributorship for tractors and agricultural machinery
- Bucher Specials expects sales and operating profit slightly above the previous year

## Group outlook for 2012

- Fears of recession, high national indebtedness, turbulence on currency markets creating great uncertainty
- Positive trends in our markets
  - Agricultural machinery: positive development of business
  - Municipal vehicles: big Moscow order fuels growth, demand otherwise stable
  - Hydraulic components: dynamic trend continues in key market segments
  - Machinery for glass container production: growth in Asia and stability at high level in other regions
  - Recovery in winemaking equipment and stable situation in fruit juice and instant products, as well as distributorship for agricultural machinery
- Group cautiously optimistic
- Improvement growth in sales and profit



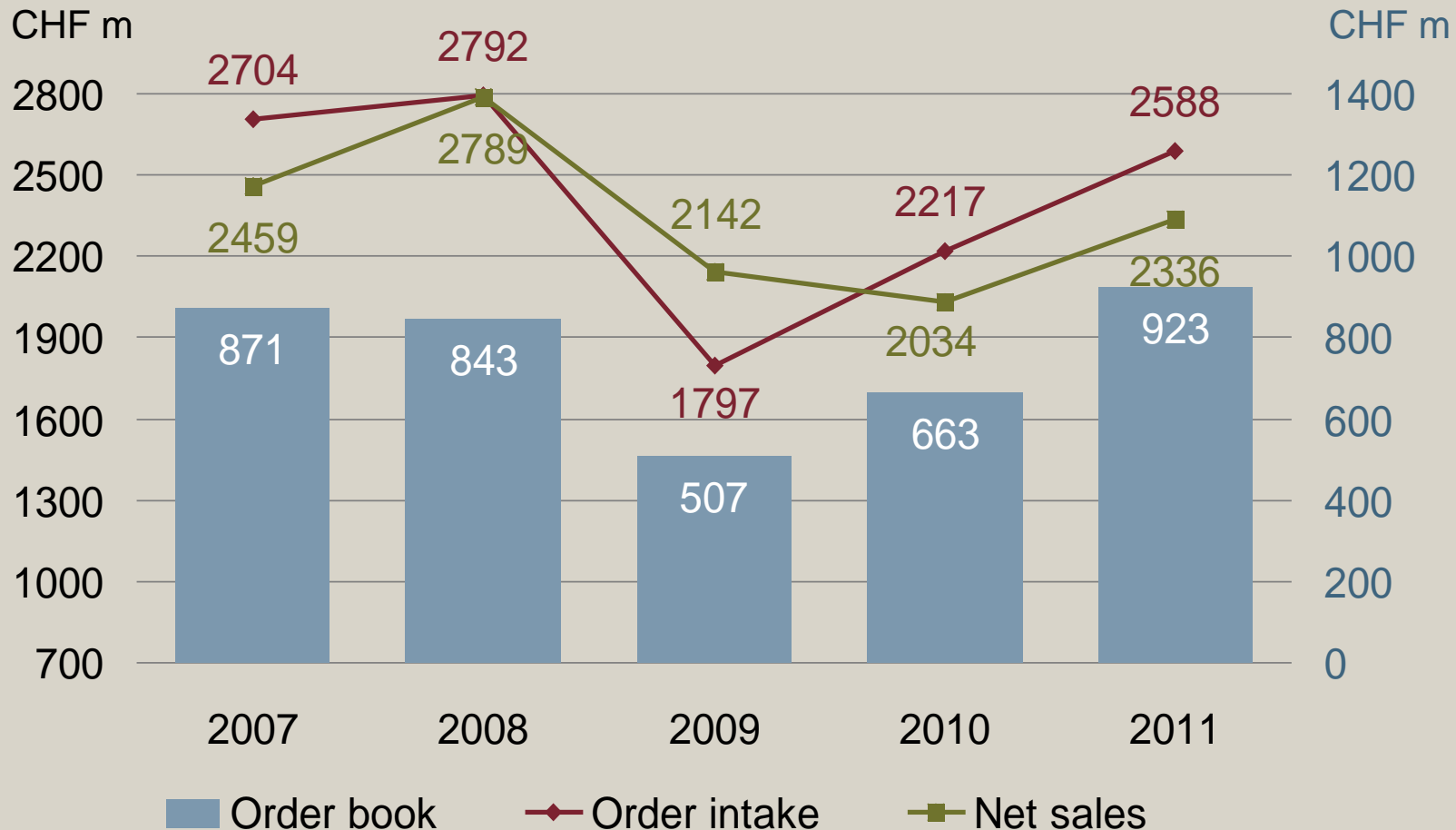
# Annual General Meeting 2012

## Proposals

- Dividends
  - CHF 4.00 per share (2010 financial year: CHF 3.00)
  - Yield of 2.3% based on the average share price of CHF 173.80 for the year
- Capital reduction
  - Buy-back of 315 900 shares, corresponding to 2.99% of the issued shares, amounting to CHF 50.2 million
  - Capital reduction by CHF 63 180 through cancellation of the repurchased shares
- Re-election to the board of Claude Cornaz and Heinrich Spoerry for a further three-year term office

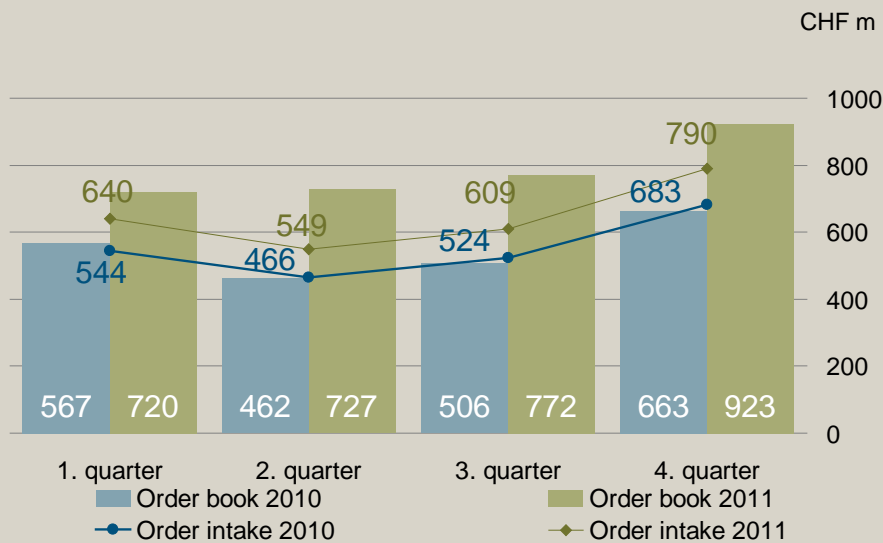
**Financial report 2011**

# Order intake, order book and net sales

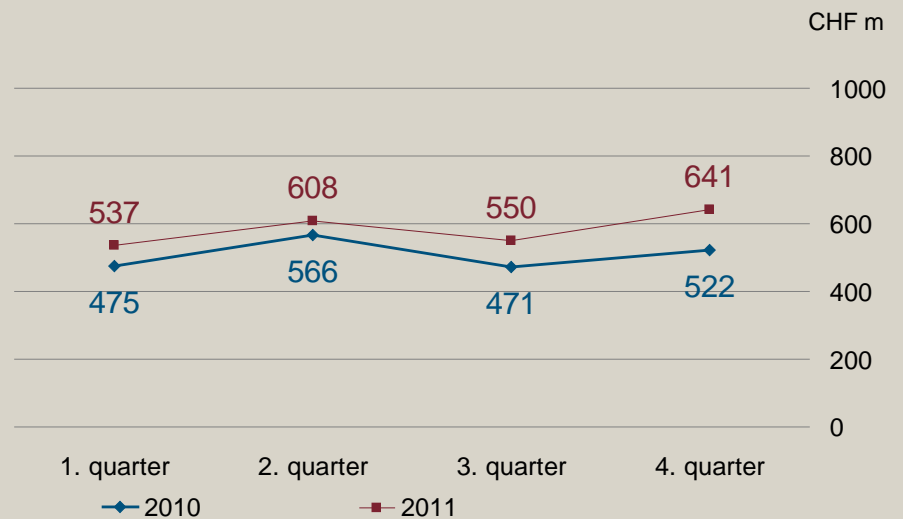


# Order intake, order book and net sales

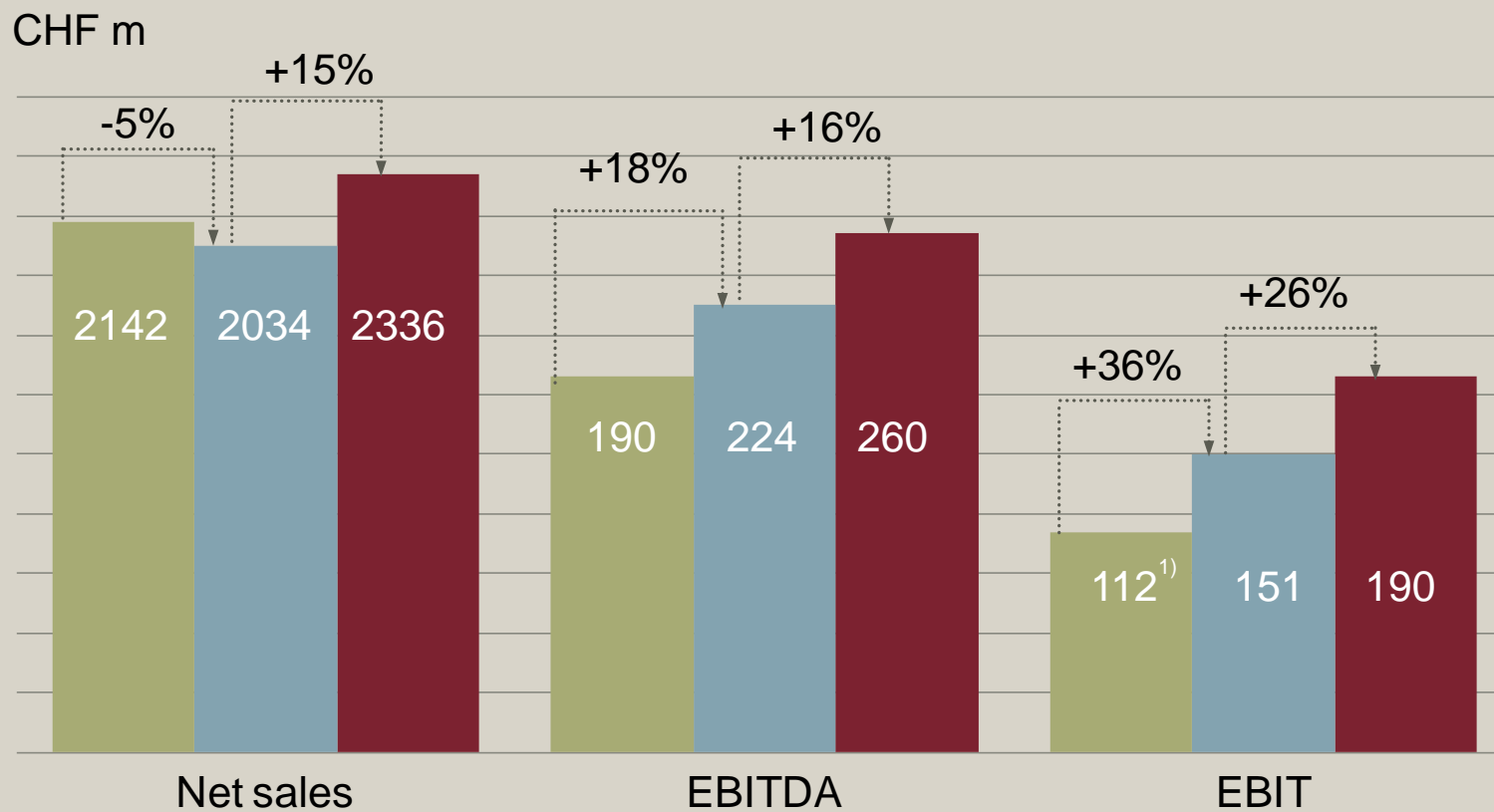
Order intake and order book



Net sales



# Impact on net sales, EBITDA and EBIT



<sup>1)</sup> before impairment charges

## Consolidated income statement

CHF million	2011	2010	Change in %
Net sales	2 336	2 034	14.9
<b>Operating profit (EBITDA)</b> in % of net sales	<b>260</b> 11.1%	<b>224</b> 11.0%	<b>16.1</b>
Depreciation	-54	-57	-4.9
Amortisation	-16	-16	-
<b>Operating profit (EBIT)</b> in % of net sales	<b>190</b> 8.1%	<b>151</b> 7.4%	<b>25.6</b>
Net financial items	-18	-11	70.4
Income tax expense	-45	-42	3.5
<b>Profit for the year</b> in % of net sales	<b>127</b> 5.5%	<b>98</b> 4.8%	<b>30.4</b>
Earnings per share in CHF	12.52	9.53	31.4

## Net financial items

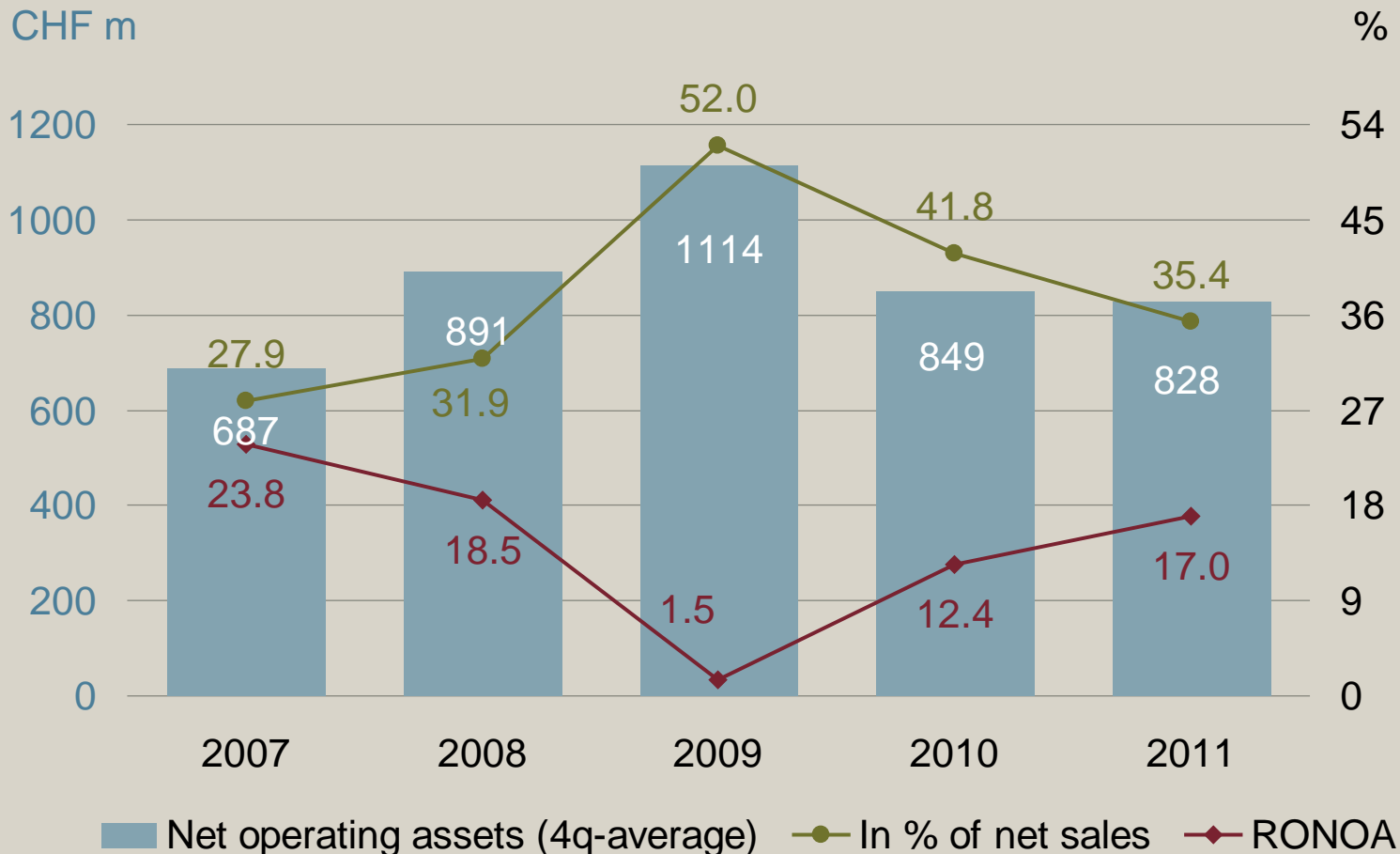
CHF million	2011	2010	+/-
Net interest expense	-15	-18	+3
Net gain on financial instruments	2	11	-9
Foreign exchange gains and losses	-3	-1	-2
Other financial items	-2	-3	+1
<b>Net financial items</b>	<b>-18</b>	<b>-11</b>	<b>-7</b>

## Income tax

CHF million	2011	2010	+/-
Result before tax	172	141	+31
<b>Income tax</b>	<b>-45</b>	<b>-23</b>	<b>-3</b>
Effective tax rate	25.8%	30.5%	



# Net operating assets (NOA) and RONOA after tax



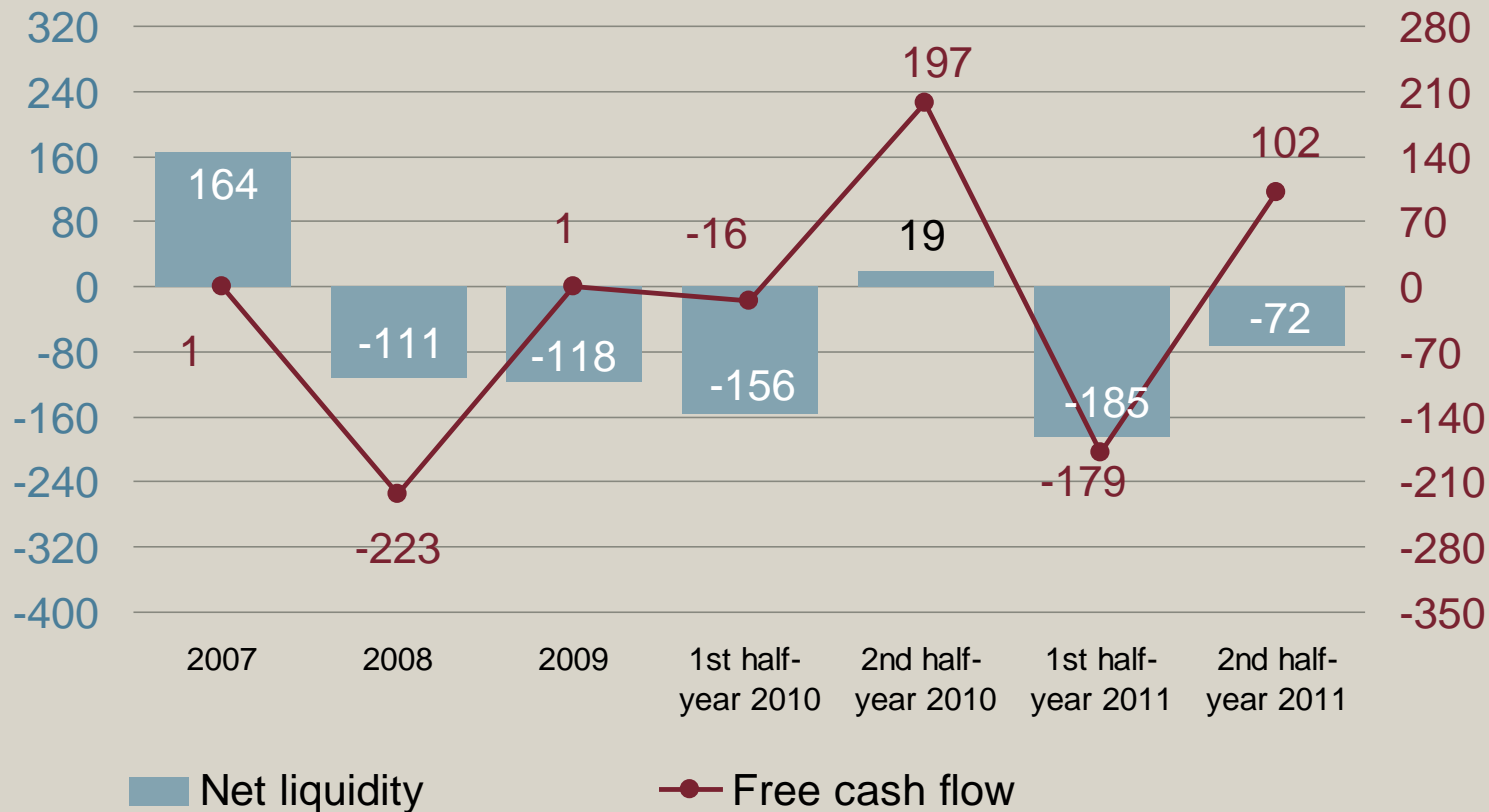
## Free cash flow

CHF million	2011	2010	+/-
Net cash flow from operating activities	172	260	-88
Purchases of property, plant and equipment (net)	-115	-54	-61
Purchases of intangible assets (net)	-2	-4	+2
<b>Operating free cash flow</b>	<b>55</b>	<b>202</b>	<b>-147</b>
Changes in financial assets and short-term investments	2	-4	+6
Acquisition/Disposal	-59	4	-63
Purchases of treasury shares	-44	-	-44
Dividend	-31	-21	-10
<b>Free cash flow</b>	<b>-77</b>	<b>181</b>	<b>-258</b>

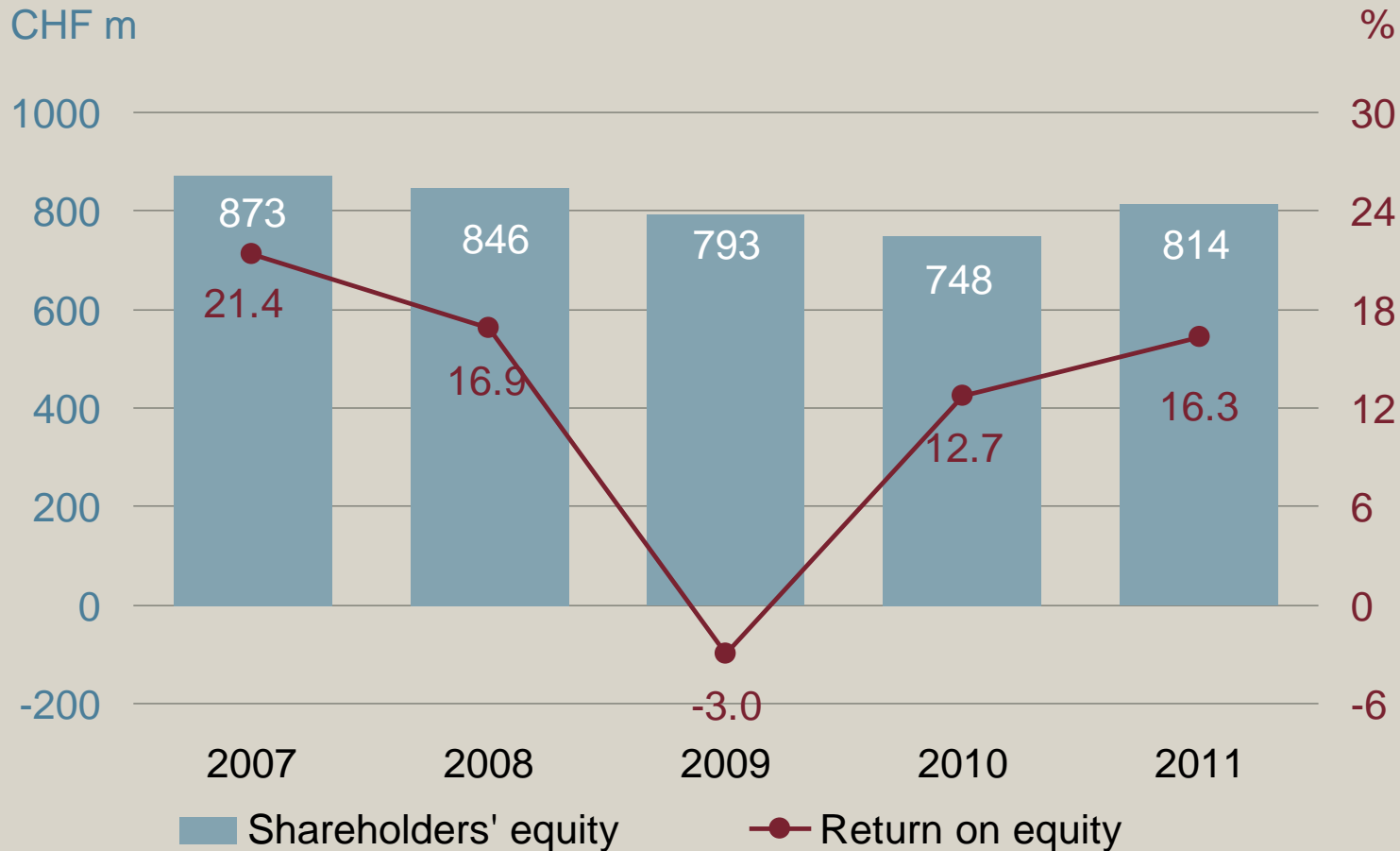
# Net liquidity and free cash flow

Net liquidity  
CHF m

Free cash flow  
CHF m



# Shareholders' equity and return on equity



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

## Summary Group financial review (1)

- Currency and acquisition effects

CHF million	Currency effects	Acquisition effects
Net sales	-250	+94
EBIT	-23	+11
Net cash		-60
Equity	-14	
Net operating assets	-15	+88

- Net cash flow from operating activities of CHF 172 million
  - Small organic increase of net operating assets of CHF 28 million, despite increase in net sales of CHF 302 million

## Summary Group financial review (2)

- Free cash flow of CHF -77 million
  - Investments of CHF 178 million in non-current assets and acquisitions
  - Share buy back of CHF 44 million
- Net debt of CHF 72 million (Gearing 9%)
- Ongoing high liquidity and solid balance sheet key figures
  - Liquid assets of CHF 467 million and undrawn committed credit facilities of CHF 250 million
  - Equity ratio of 36%
  - Intangible assets amounted to 21%, goodwill to 9% of equity
  - Debt payback period (Net debt to EBITDA) of 0.3x
  - Interest coverage ratio (EBITDA to net interest expense) of 17x

## Financial calendar for 2012/2013

Annual general meeting	12 April 2012
Dividend payment	19 April 2012
Release of first quarter 2012 group sales	27 April 2012
Interim report 2012	9 August 2012
Release of third quarter 2012 group sales	26 October 2012
Release of 2012 group sales	31 January 2013
Annual press & analyst conferences	14 March 2013
Annual general meeting	11 April 2013