

**Group presentation**

## **Technology group founded in 1807**

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

## Our businesses



### **Kuhn Group**

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

Sales CHF 1 200 m  
Employees 4 500



### **Bucher Municipal**

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

Sales CHF 420 m  
Employees 1 400



### **Bucher Hydraulics**

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

Sales CHF 400 m  
Employees 1 600



### **Emhart Glass**

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

Sales CHF 360 m  
Employees 2 000



### **Bucher Specials**

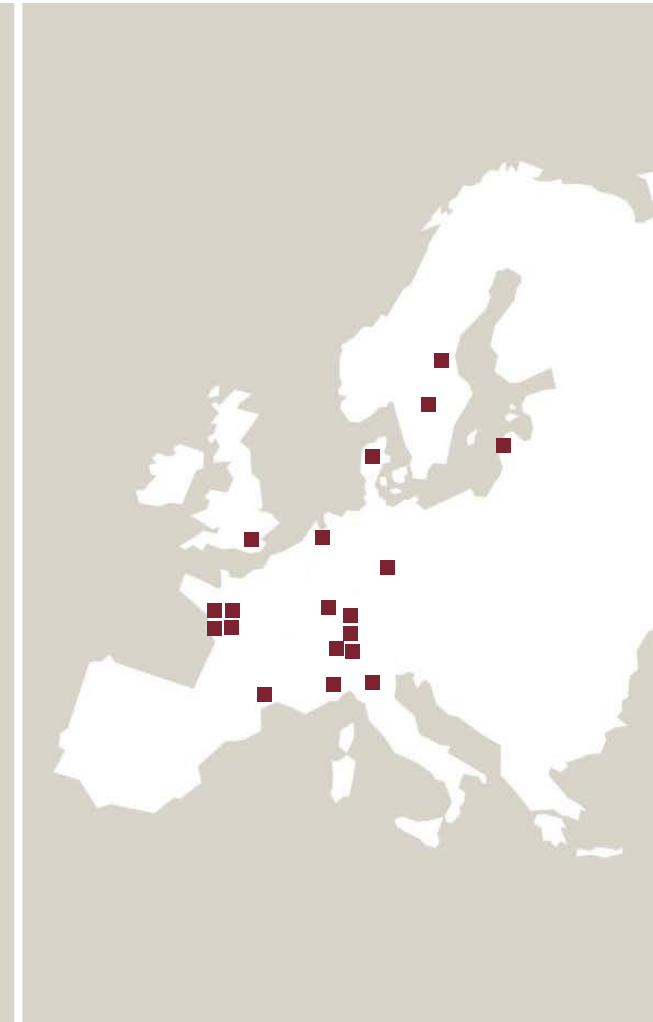
Independent businesses: machinery and equipment for winemaking, systems and machinery for processing fruit juice, instant products and dewatering sewage sludge as well as the Swiss distributorship for tractors and agricultural machinery.

Sales CHF 200 m  
Employees 500

## **No. 1 market positions**

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

## Major manufacturing sites worldwide



## Group strategy

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

## Medium-term earnings targets

EBIT margin	targets	2012	2011	2010	2009	2008
Kuhn Group	11	12.4	11.3	9.2	7.5	12.4
Bucher Municipal	8	9.3	7.0	7.3	3.9	7.6
Bucher Hydraulics	11	8.9	8.7	9.9	4.3	11.3
Emhart Glass	9	0.2*	4.5	1.2	4.0	8.4
Bucher Specials	9	8.1	6.1	4.6	5.4	10.7
<b>Bucher Industries</b>	<b>9</b>	<b>8.8</b>	<b>8.1</b>	<b>7.4</b>	<b>5.2</b>	<b>9.9</b>

\* After restructuring costs of CHF 9 million

## Group, divisions and independent businesses

RONOA after tax	>16	16.8	17.0	12.4	11.4	20.7
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All figures without excl. impairment charges

## Group at a glance

- Varied market environment
  - Favourable conditions in agricultural machinery
  - Stable demand for municipal vehicles and glass-forming machinery
  - Weakening of market for hydraulic systems in second half of 2012
  - Stagnation in winemaking equipment
  - Currency effects remained marginal
- Marked rise in profitability, good operating performance
  - 21% increase in operating profit and profit for the year
  - EBIT margin up to 8.8%, despite “break-even” result at Emhart Glass
  - Realignment of global production capacity at Emhart Glass necessitates restructuring costs of CHF 13 million, of which CHF 9 million charged in 2012

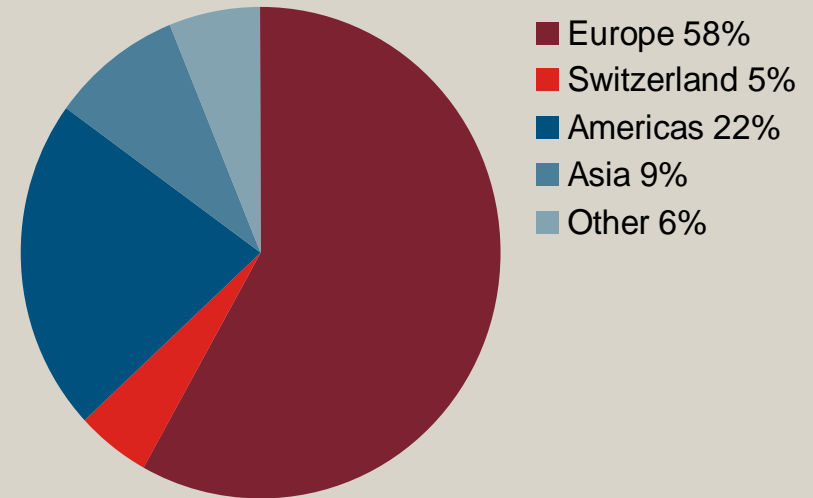
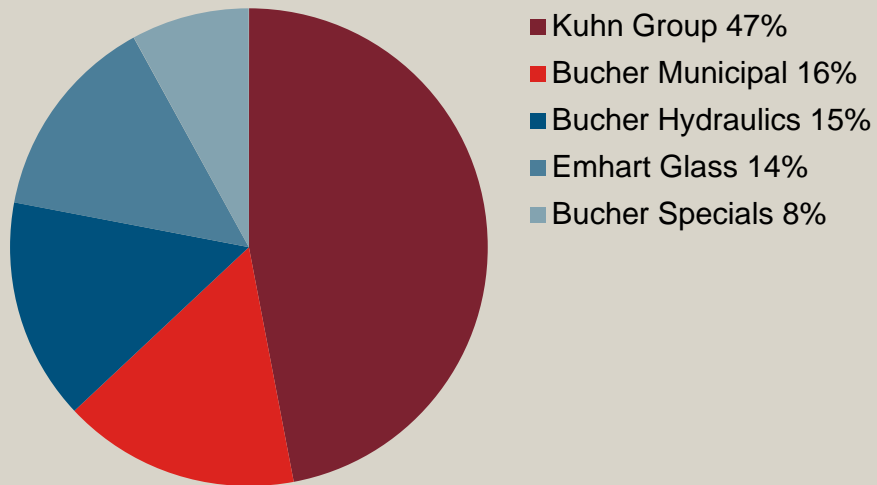


## **Group at a glance (continued)**

- Continuity in investments
  - CHF 96 million for internal growth
  - CHF 43 million for small but important acquisitions in Bucher Hydraulics and Bucher Specials
- Solid financial basis
  - High degree of independence thanks to CHF 480 million in cash and cash equivalents
  - Further reduction of net debt to CHF 19 million
  - Strong equity ratio of 41%

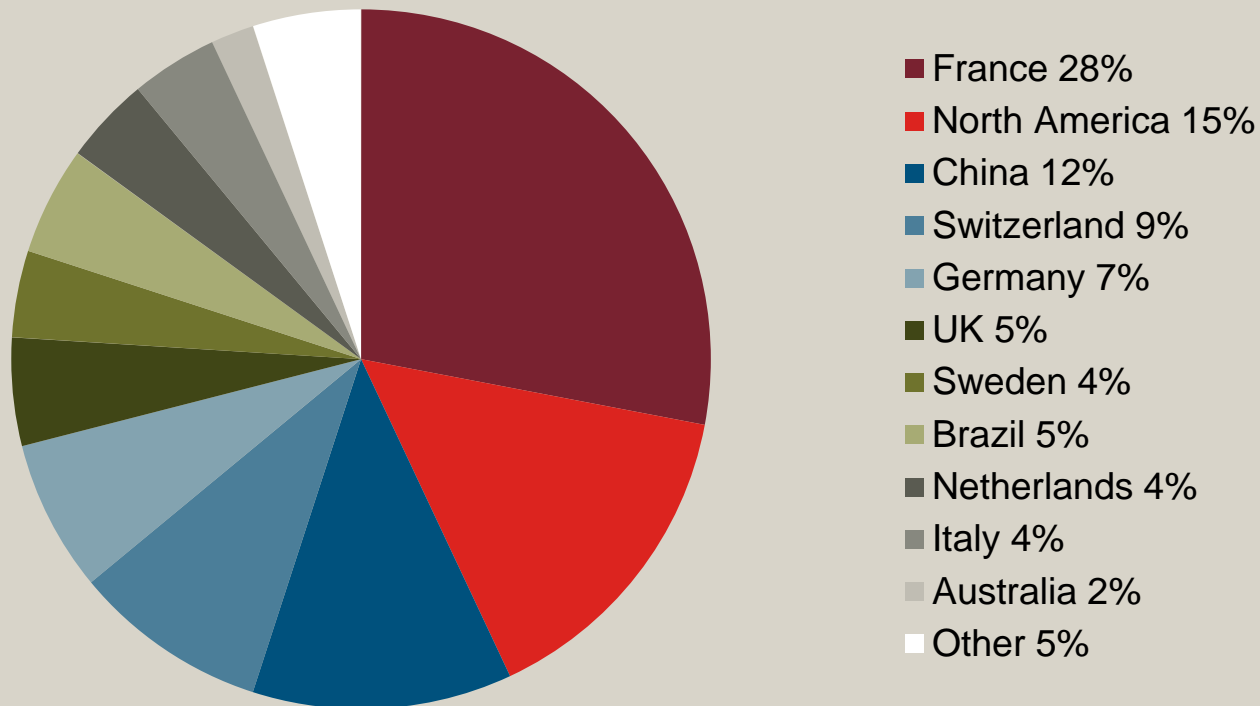
# Net sales by division and region in 2012

CHF 2 609 million



## Number of employees by region in 2012

Total 10'166



# Key figures

CHF million	% change				
	2012	2011	%	% <sup>1)</sup>	% <sup>2)</sup>
Order intake	2 490	2 588	-3.8	-3.7	-6.9
Net sales	2 609	2 336	11.7	11.7	8.6
Order book	795	923	-13.8	-13.6	-14.6
Operating profit (EBITDA) as % of net sales	304 11.7%	260 11.1%	17.1		
Operating profit (EBIT) as % of net sales	229 8.8%	190 8.1%	20.5		
Profit of the year as % of net sales	154 5.9%	127 5.5%	21.0		

<sup>1)</sup> Adjusted for currency effects   <sup>2)</sup> Adjusted for currency, acquisition and disposal effects

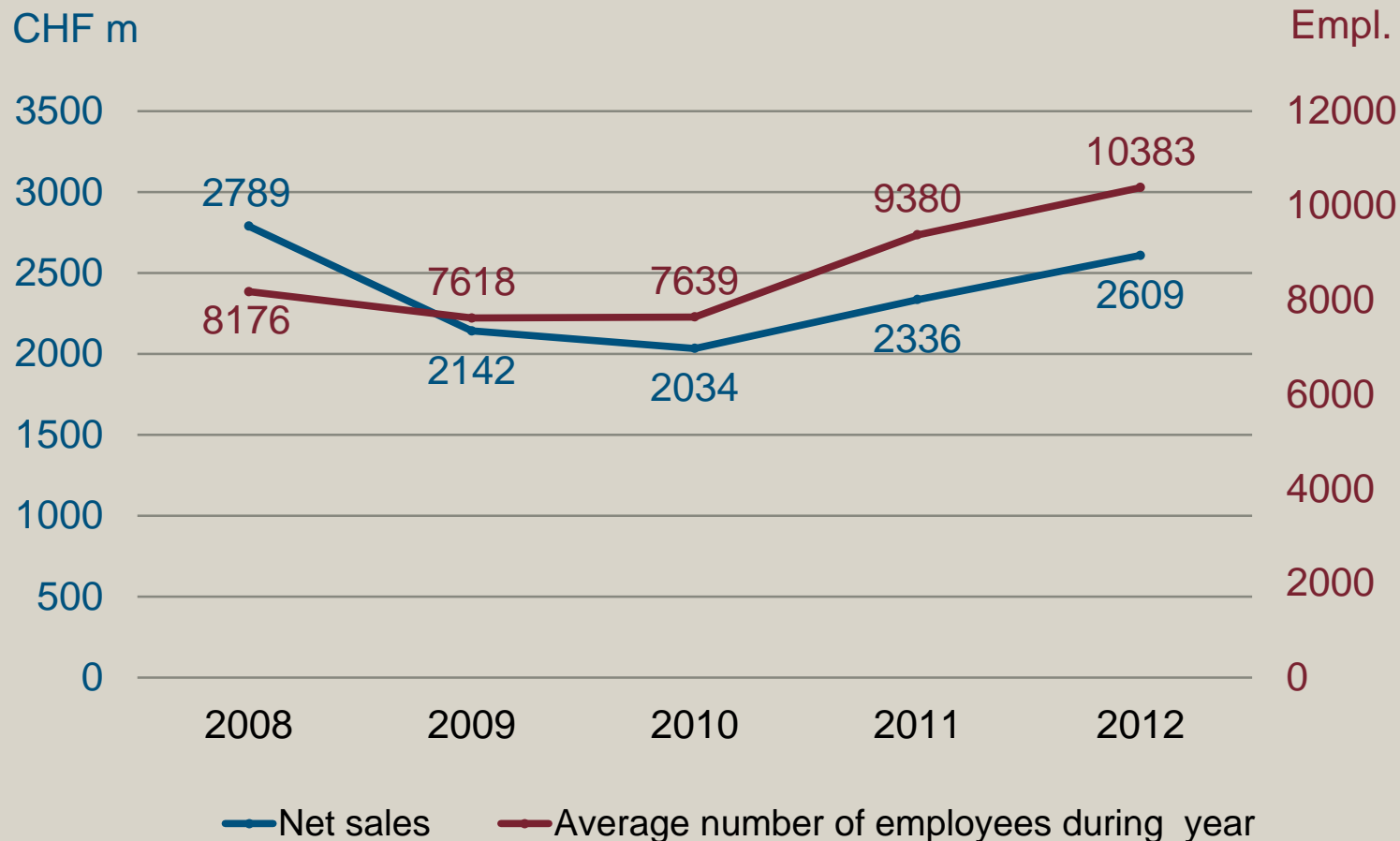
## Investing in the future

CHF million	2012	2011	% change
Development costs	81	74	8.6
Capital expenditure	96	118	-18.4
Acquisitions	3	60	

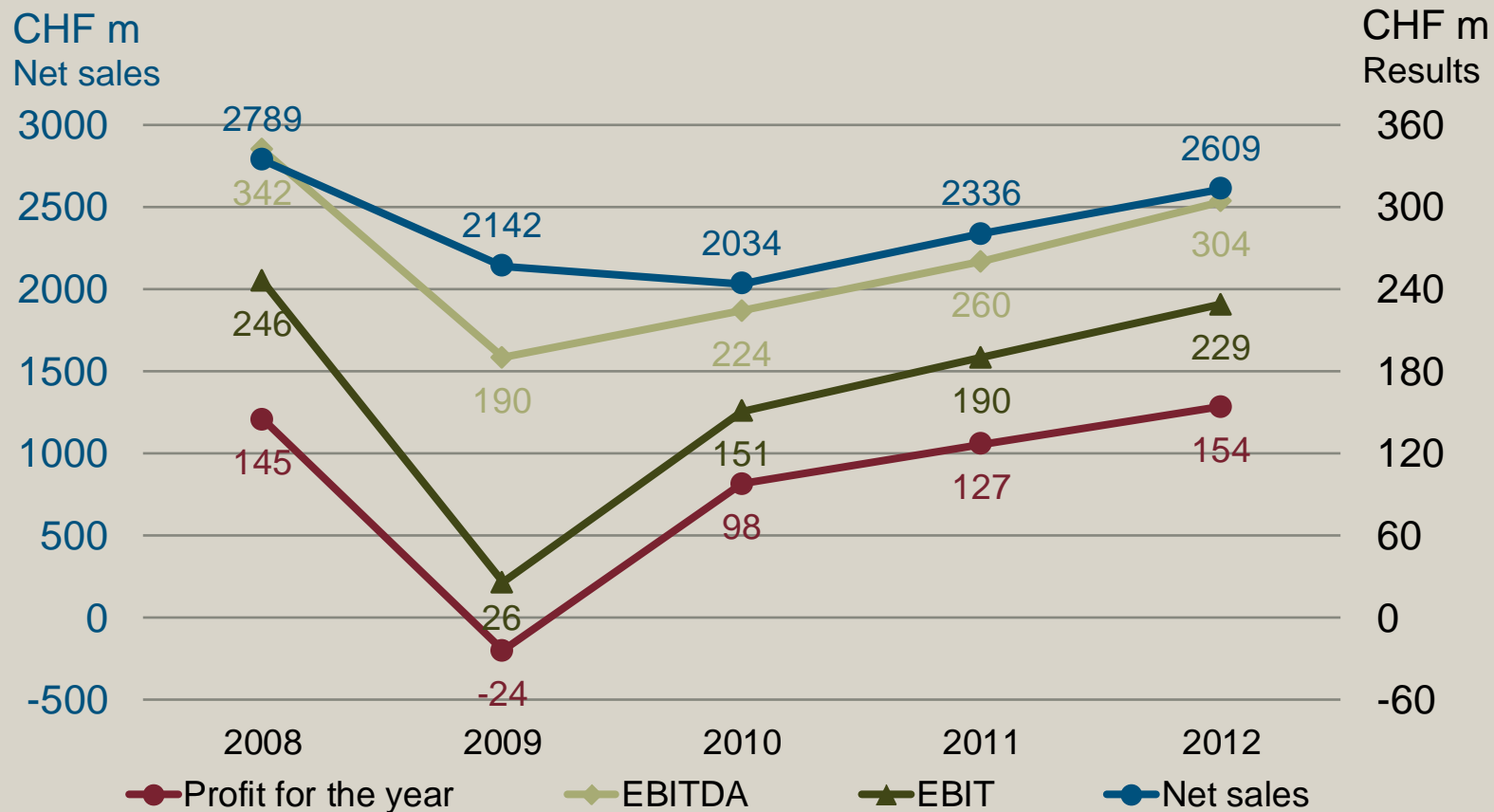
## Results by operating segment

CHF million	2012		2011	
	EBIT	EBIT margin	EBIT	EBIT margin
Kuhn Group	152	12.4%	116	11.3%
Bucher Municipal	39	9.3%	27	7.0%
Bucher Hydraulics	36	8.9%	35	8.7%
Emhart Glass	1	0.2%	15	4.5%
Bucher Specials	17	8.1%	12	6.1%
Other/consolidation	-16		-15	
<b>Bucher Industries</b>	<b>229</b>	<b>8.8%</b>	<b>190</b>	<b>8.1%</b>

## Net sales and number of employees

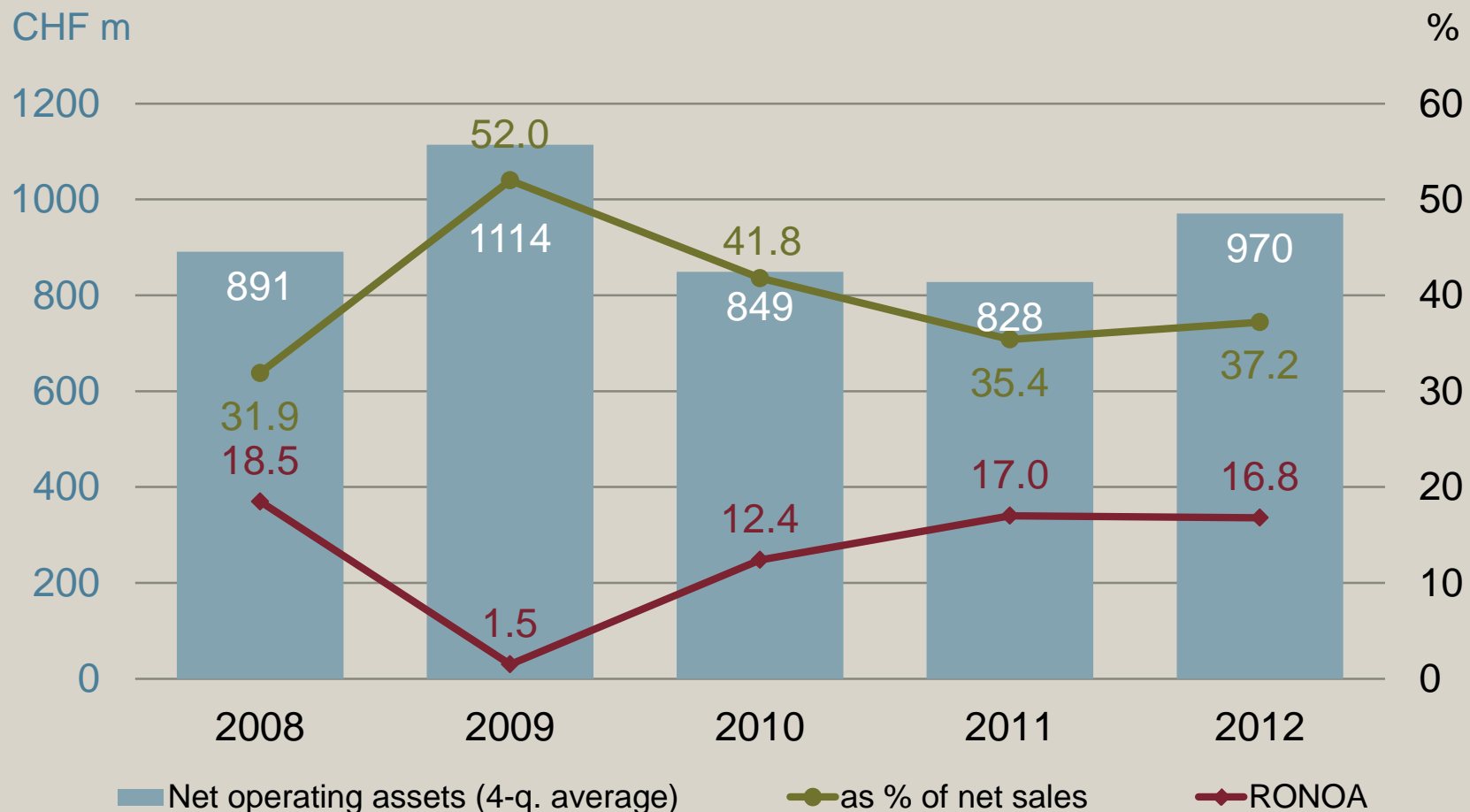


## Net sales and results

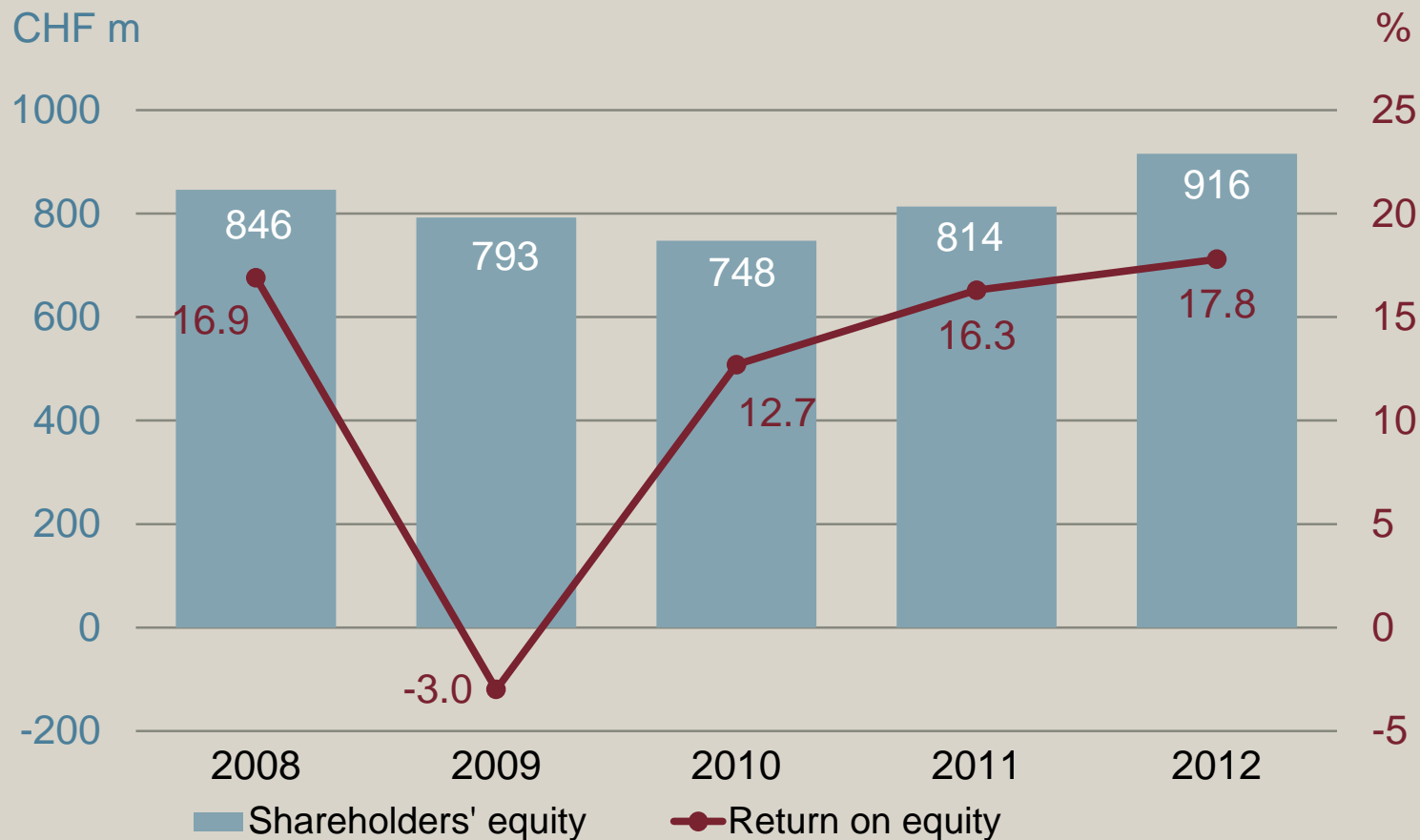




# Net operating assets (NOA) and RONOA after tax

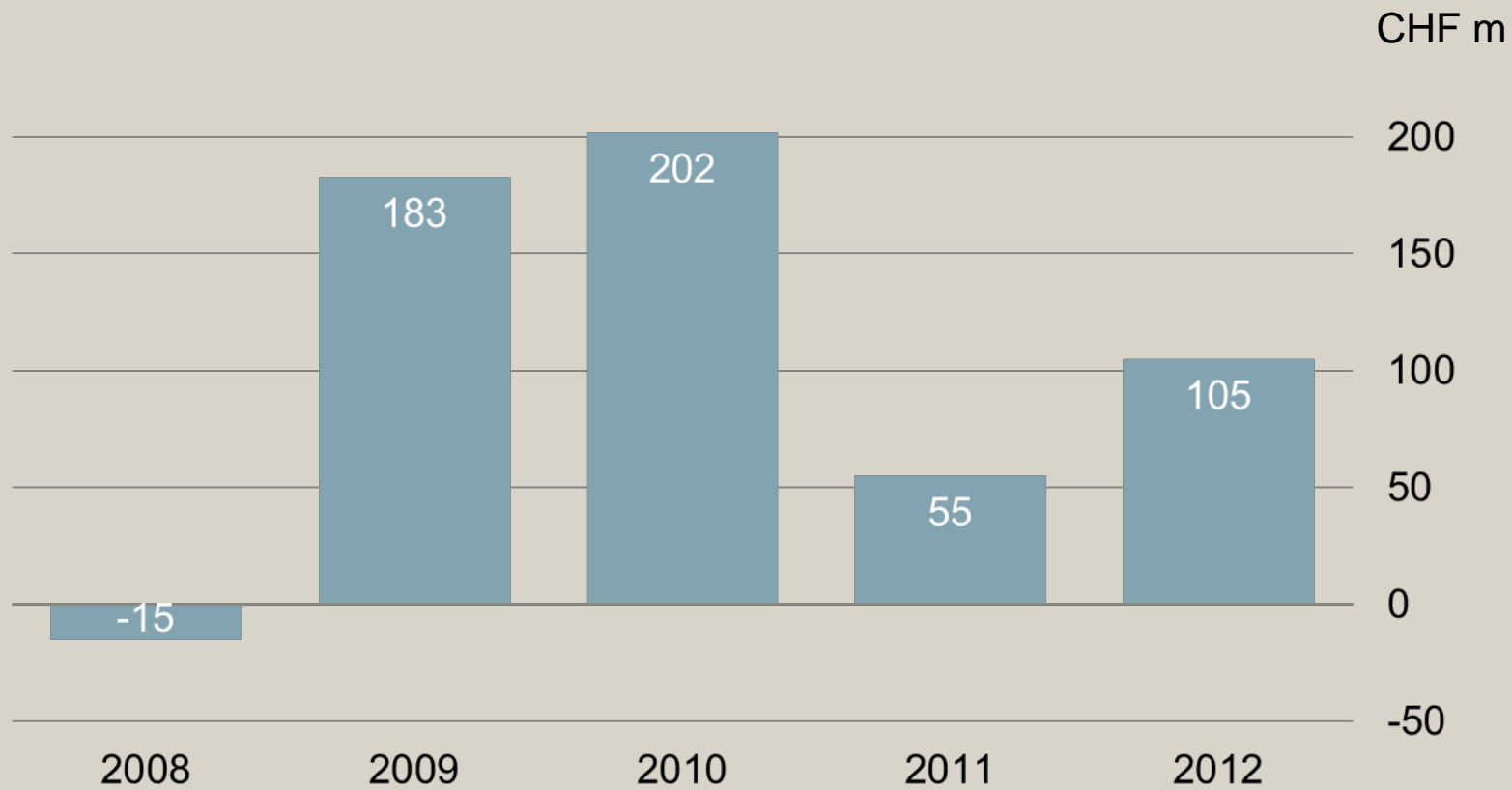


# Shareholders' equity and return on equity

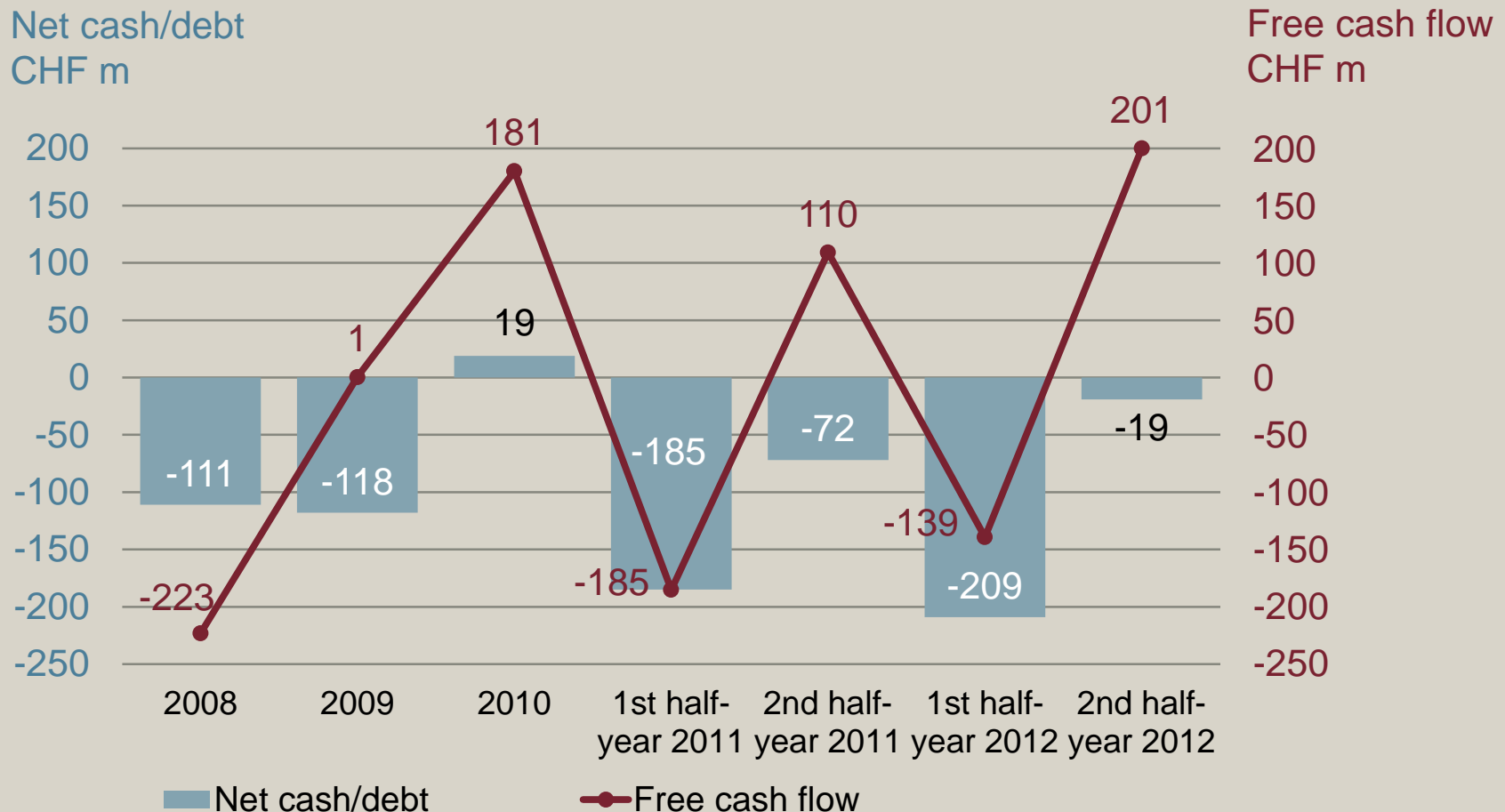


Impairment charges: 2008 CHF 39 million, 2009 CHF 86 million

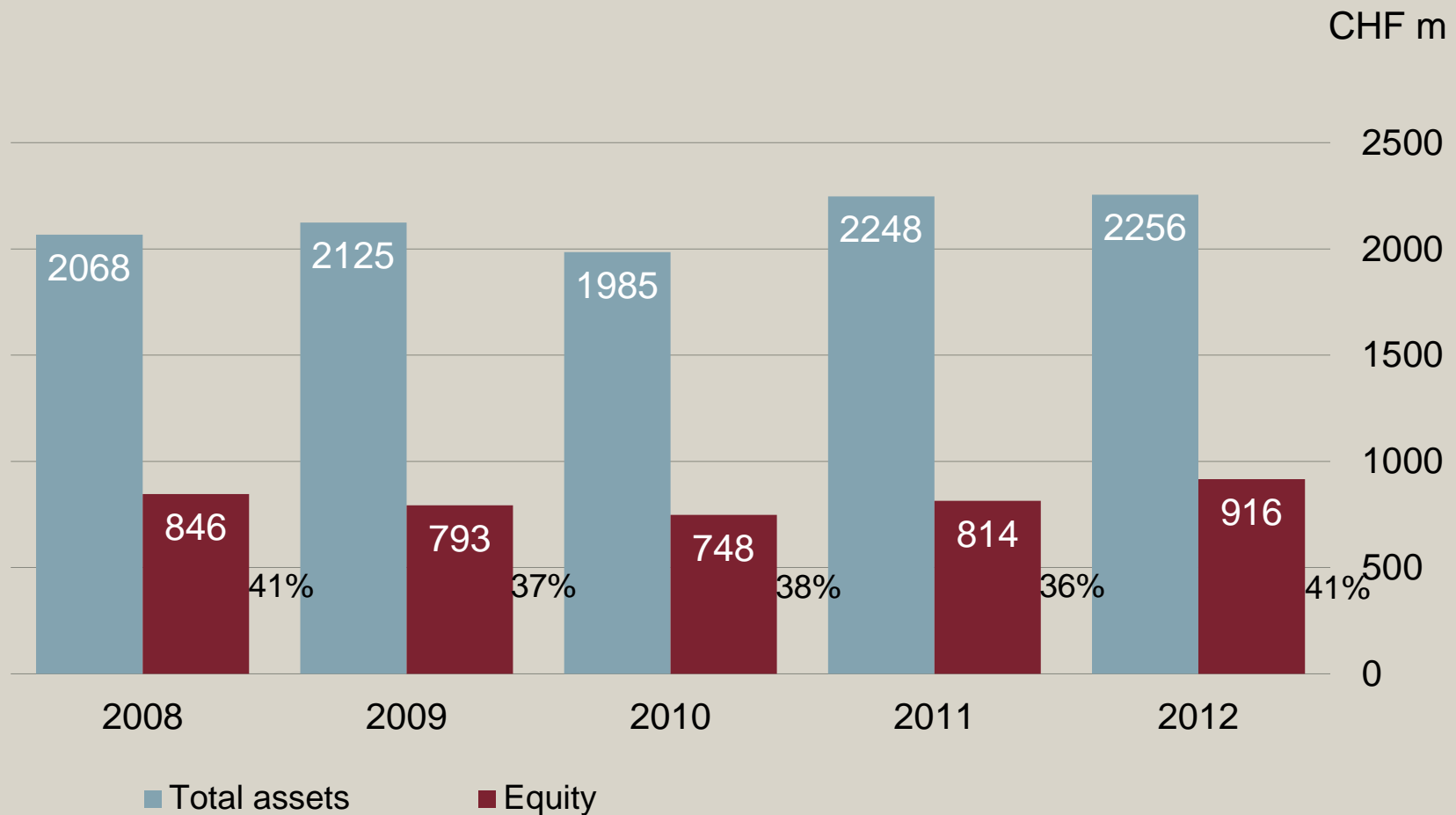
## Operating free cash flow



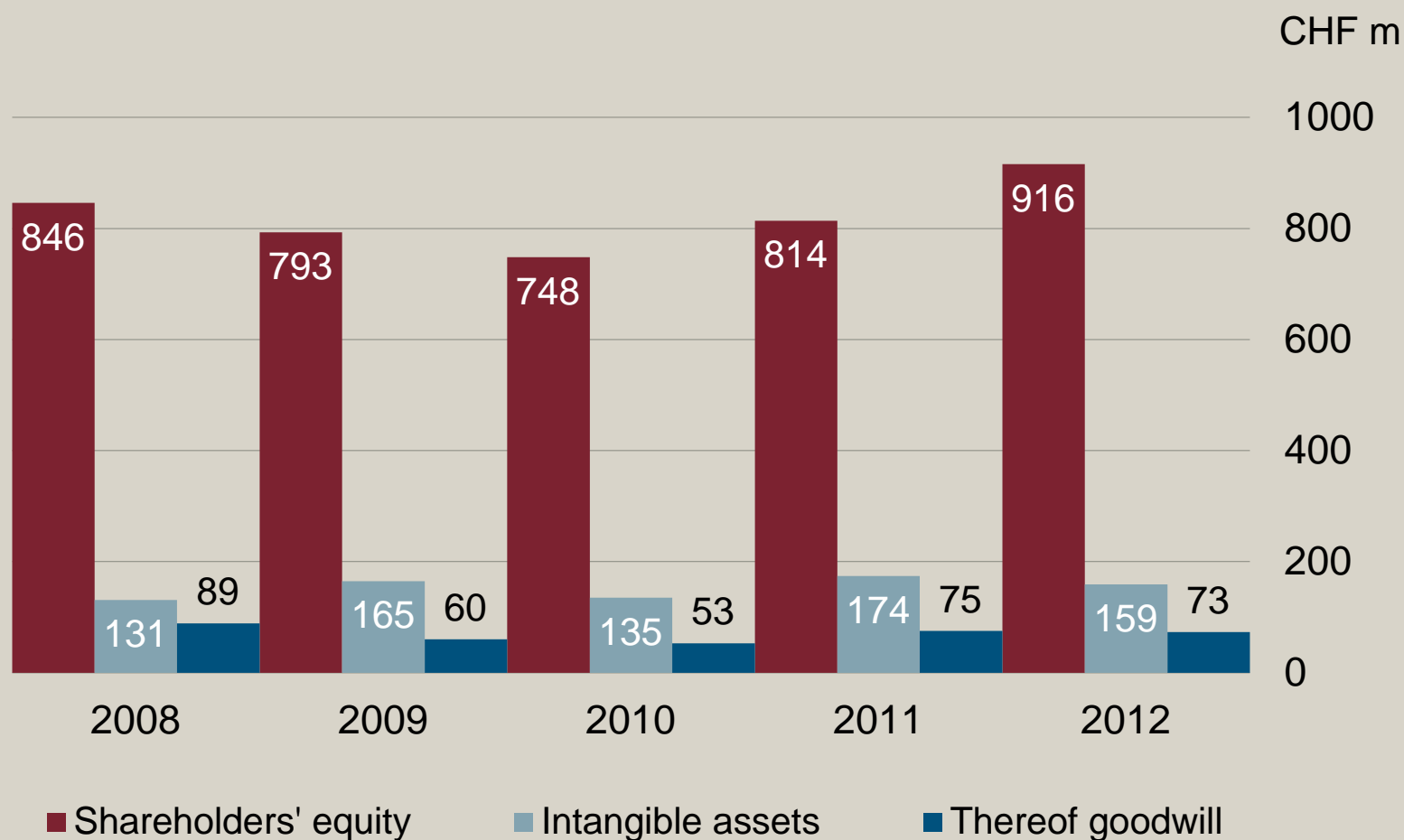
## Net cash/debt and free cash flow



## Total assets and equity



# Shareholders' equity / Intangible assets



## **Group outlook for 2013**

- No fundamental change in economic environment
- Highly indebted Western industrial economies continue to seek means to stimulate economic growth
- Sustained growth in Asia and South America
- Confidence in markets served by Bucher Industries:
  - Agricultural machinery: continuing positive performance on lower growth rates
  - Other segments: levels similar to 2012, excluding major order from the city of Moscow for municipal vehicles
  - Acquisitions in Bucher Hydraulics and Bucher Specials bring marked sales growth
- Modest sales growth and slight increase in profitability expected

# Kuhn Group

## Specialised agricultural machinery

**BUCHER**



Ploughing



Tillage



Seeding



Fertilisation



Manure spreaders



Spraying



Hay & forage  
harvesting



Feed storage



Bedding & feeding

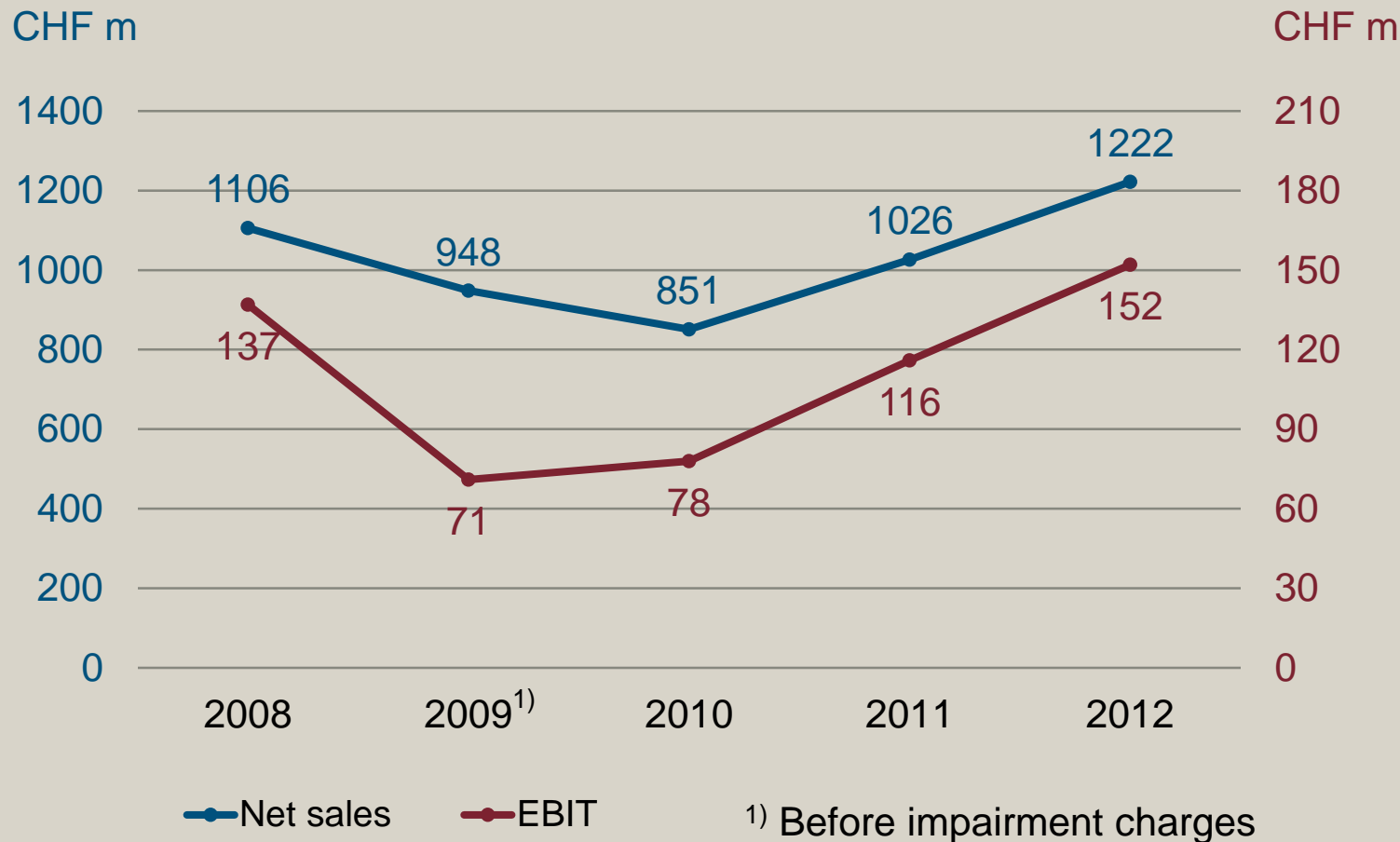


Landschaftspflege



# Kuhn Group

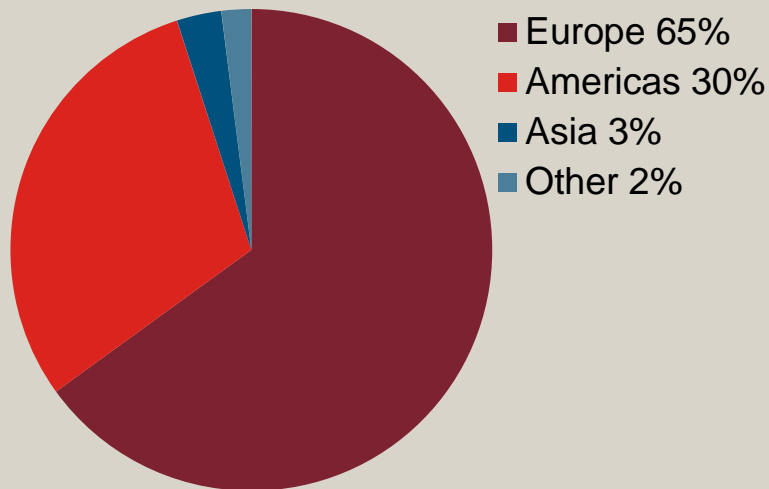
## Net sales and EBIT



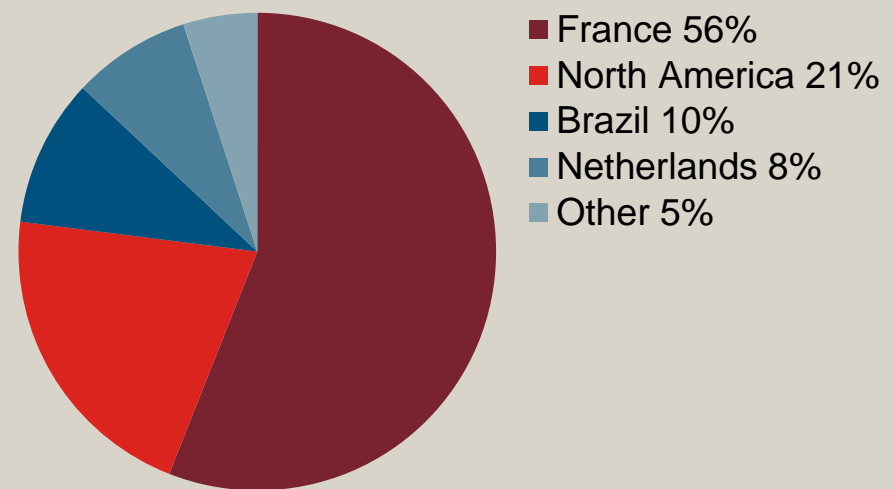
# Kuhn Group

## Net sales and number of employees 2012

Net sales  
CHF 1 222 million



Number of employees  
4 495 employees



## **Kuhn Group**

### **Market position**




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

# Kuhn Group

## Complete product range under one brand

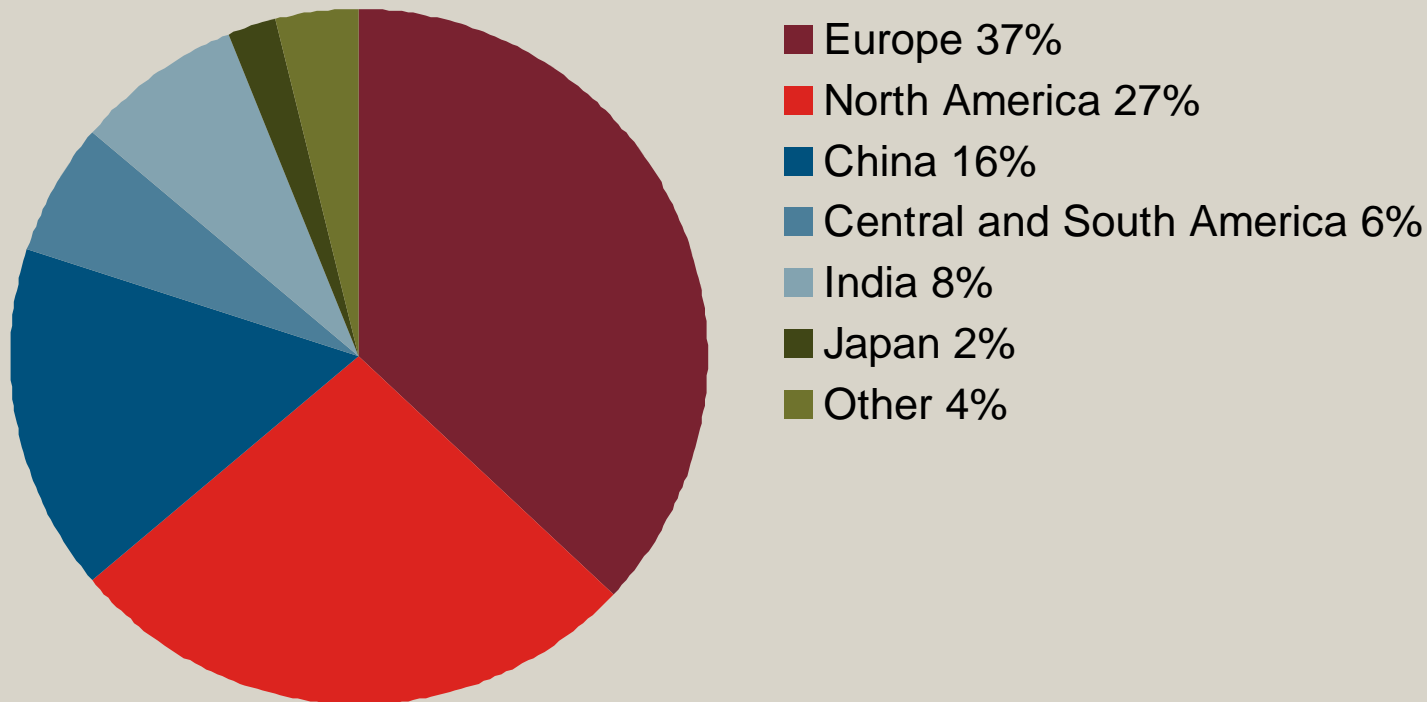
Competitors	Hay and forage				Hedge cutters	Feed mixers	Tillage equipment		Seeders		Spreaders	Sprayers	Tractors	Harvesters selfpropelled
	mowers	tedders	rakes	balers			driven	non-driven	drilling	precision				
<b>Kuhn Group</b>														
John Deere														
CNH														
AGCO												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

## Kuhn Group World farm equipment market

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

# Kuhn Group

## World regional farm equipment market



## Kuhn Group 2012 highlights

- Division sales pass one-billion euro mark for the first time
- Outstanding profitability
- Positive market trend
  - High prices for agricultural produce increased farmers' incomes
  - Exceptional drought in the southern USA
    - Additional driver pushing up maize and wheat prices
    - Benefitting producers outside the drought-stricken areas
    - Little impact on investment patterns in the USA thanks to crop insurance
- Strong brand, broad range of products and efficient dealer network
  - Successful integration of Kuhn Krause, USA
  - Development of partnerships
  - High investment in organic growth and customer training

# Kuhn Group

## Outlook for 2013

- Long-term prospects still good
- Market environment still positive and stable at a high level
  - Favourable income situation for farmers expected to continue
  - Moderate increase in production costs at most farming enterprises
  - Good conditions in main markets of North/South America and Europe
  - Normal level of dealer inventories bolster confidence
- Good conditions for continued growth
  - Global presence, broad offering and excellent operational performance
  - Further increase in sales and operating profit expected
  - But growth rate lower than in previous year



## Bucher Municipal Sweepers and winter maintenance equipment



Compact sweepers



Truck mounted sweepers



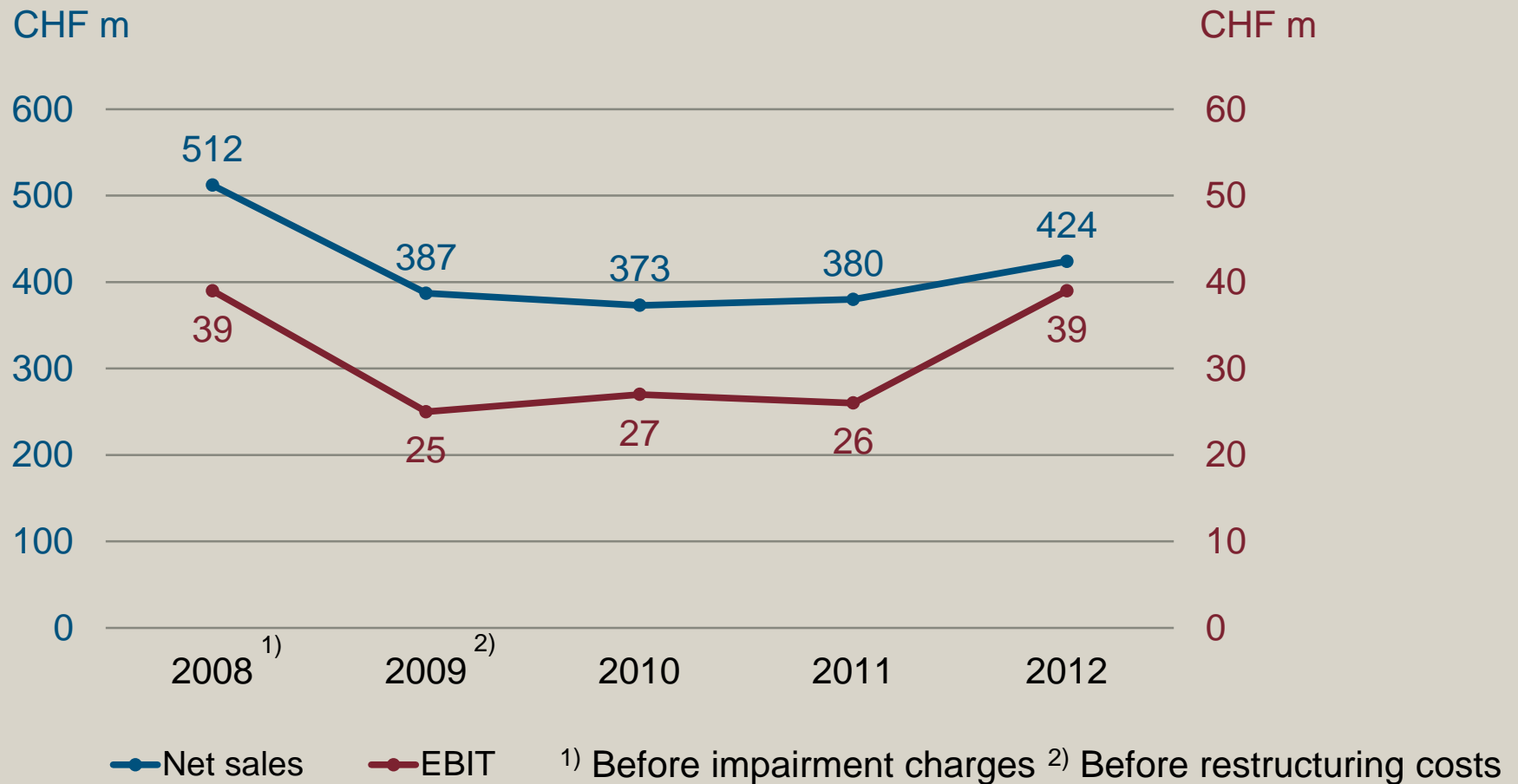
Spreaders



Refuse collection vehicles

# Bucher Municipal

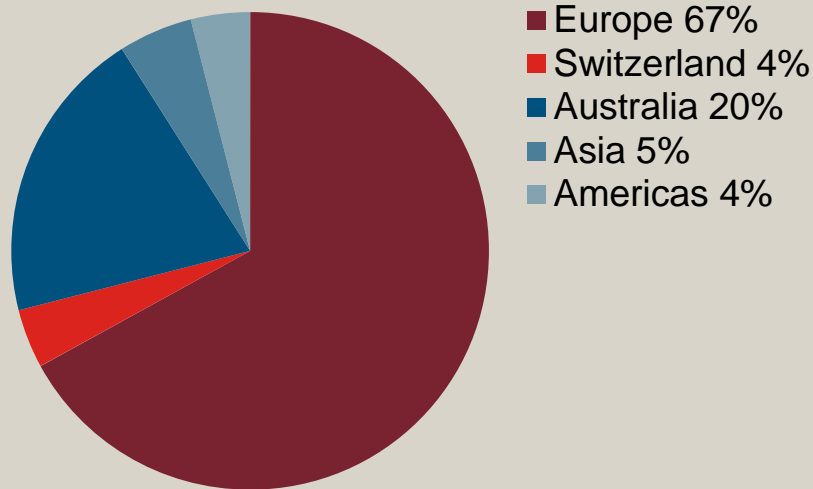
## Net sales and EBIT



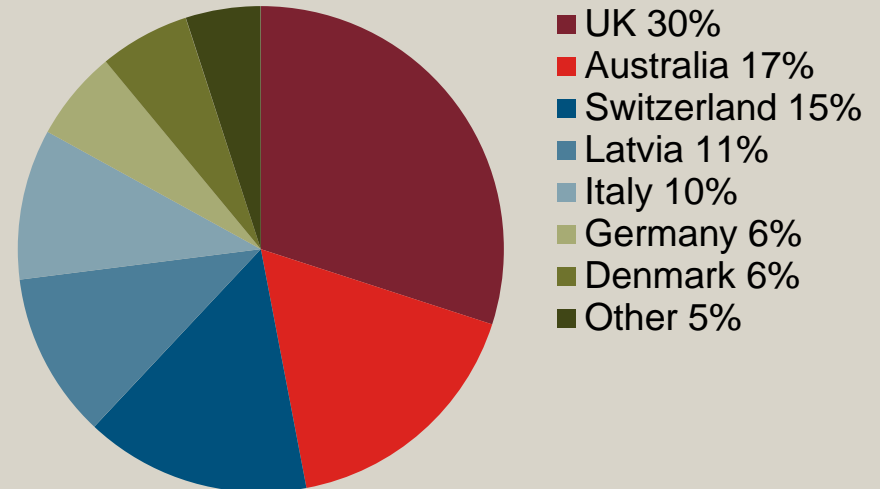
# Bucher Municipal

## Net sales and number of employees 2012

Net sales  
CHF 424 million



Number of employees  
1 429 employees



## Bucher Municipal Market position

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

\* Fayat Group

# Bucher Municipal

## Complete product range

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

\* Ravo, Scarab, Mathieu

## **Bucher Municipal 2012 highlights**

- Record result, with EBIT margin of 9.3%
- Smooth processing of the major order from the city of Moscow, with CHF 50 million contribution to sales
- Maximum capacity utilisation in first half of 2012
- Demand stable overall at low level in Europe; no major tenders
- Southern European countries hard hit by austerity measures
- Continuation of streamlining through merger of production plants in England and Australia
- Innovation projects for emission-free and low-emission compact sweepers

## **Bucher Municipal Outlook for 2013**

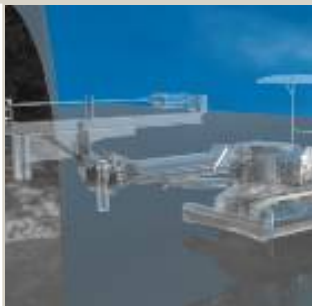
- Since the record year of 2008, market volumes down by 30%
- Stabilisation of demand at 2012 level, excluding Moscow order
- No prospect of demand recovering in southern Europe
- Division's capacities aligned with current level of market
- Sales, operating profit and EBIT margin expected to be on a par with 2011

# Bucher Hydraulics

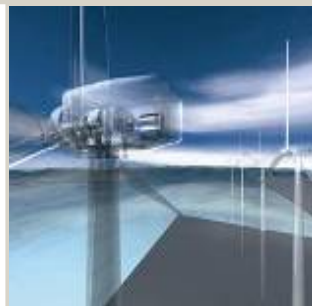
## Customised drive systems



Agricultural  
machinery



Mining/  
tunnelling



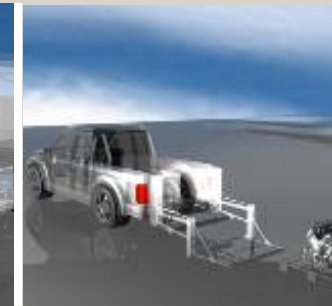
Wind energy



Industrial



Municipal  
vehicles



Lift gates



Construction  
equipment



Materials  
handling



Marine/offshore



Elevator  
technology



High-voltage  
switch gear

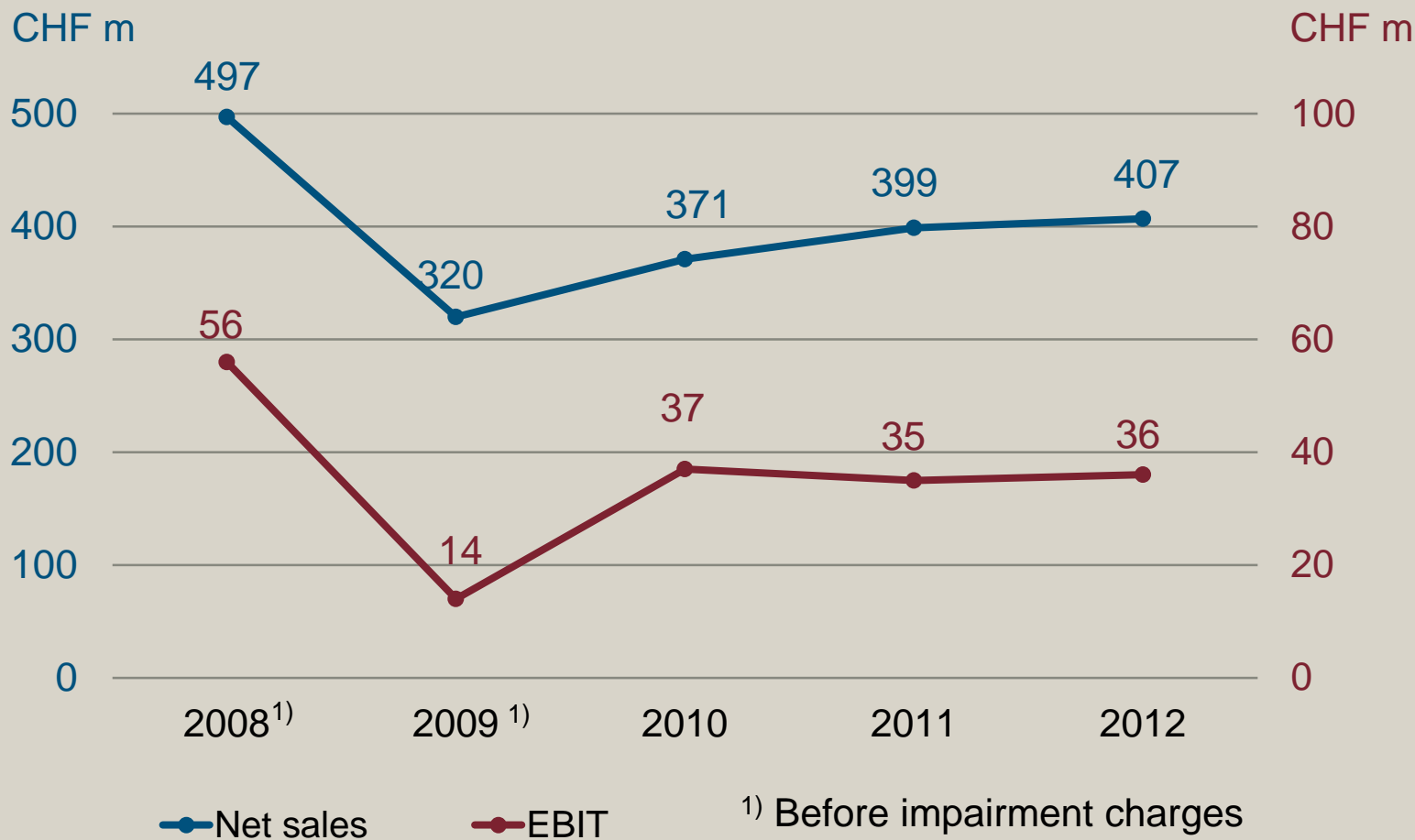


Dyna-Lift



# Bucher Hydraulics

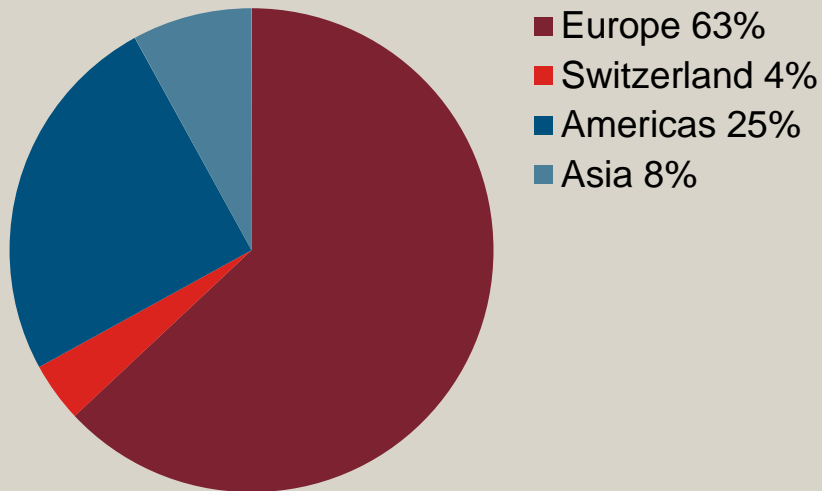
## Net sales and EBIT



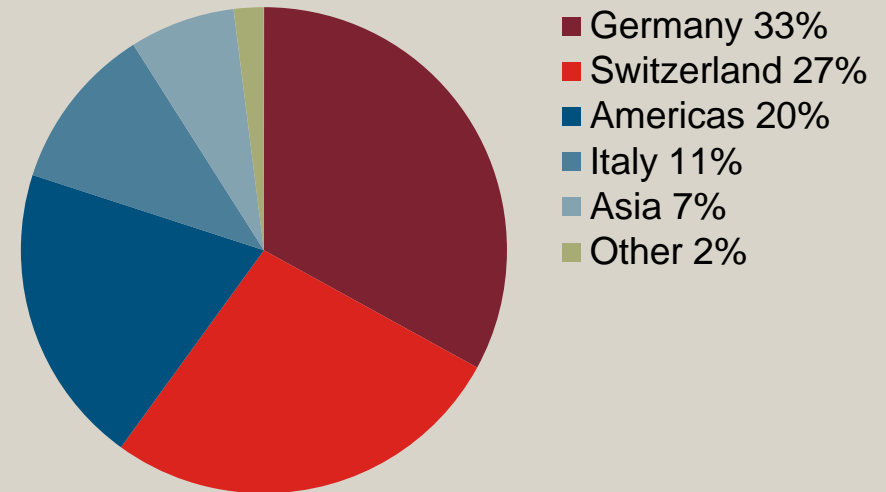
# Bucher Hydraulics

## Net sales and number of employees 2012

Net sales  
CHF 407 million



Number of employees  
1 647 employees



# **Bucher Hydraulics**

## **Market position**

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

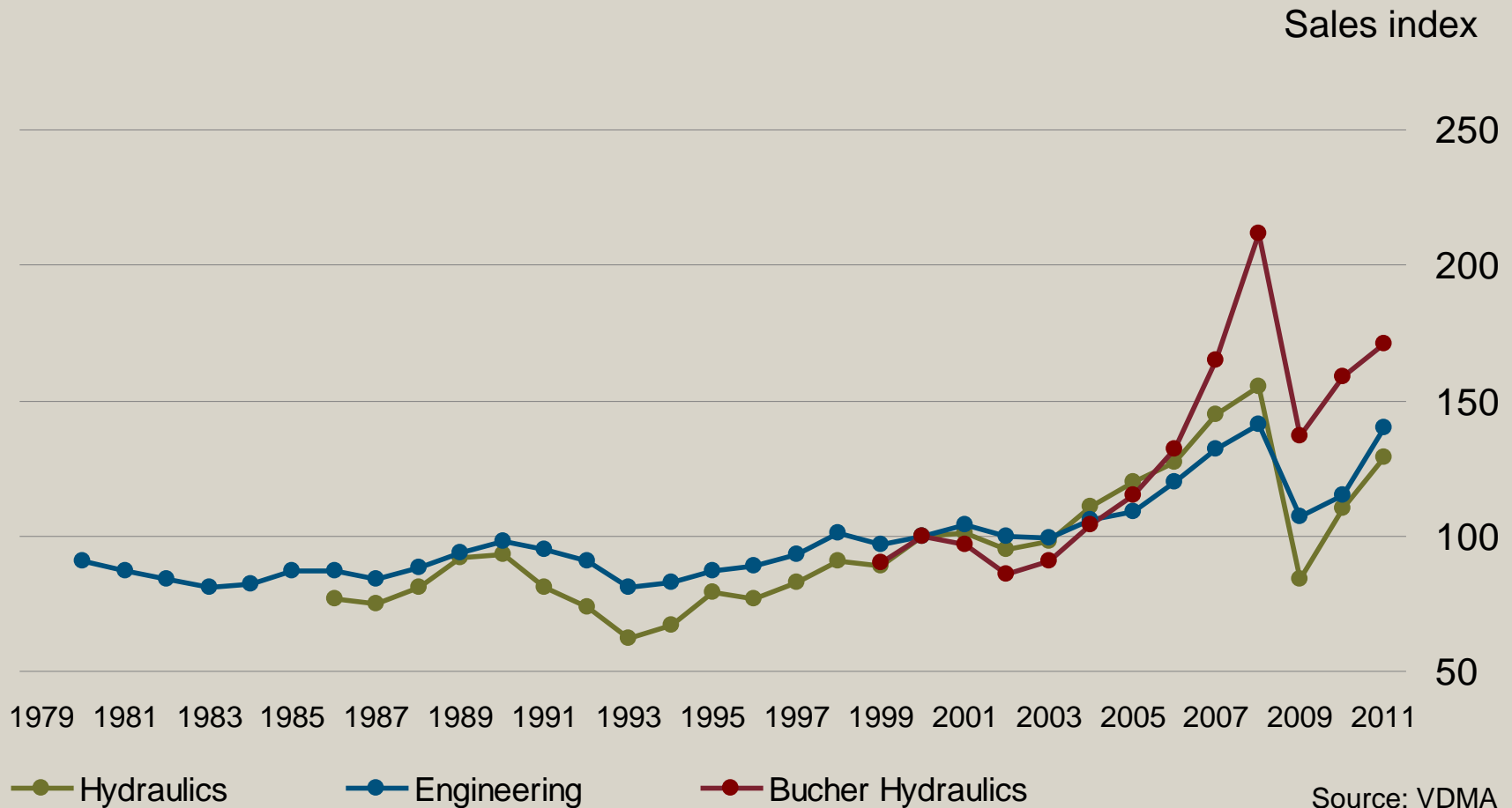
# Bucher Hydraulics

## Leading market position in Europe

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

# Bucher Hydraulics

## Growth per market segment



# Bucher Hydraulics

## 2012 highlights

- Varied market environment
  - Western Europe: market positive in agricultural machinery and materials handling, weakening in construction machinery and industrial hydraulics
  - USA: general level of demand good
  - China: government reins in construction activity
- Slightly improved EBIT margin in difficult environment
- Acquisition of Ölhydraulik Altenerding, Germany, completed in February 2013
  - Precision cylinder technology complements product range
  - Synergies in overlapping customer base and with existing valve technology
  - Sales of CHF 42 million; around 250 employees

## **Bucher Hydraulics Outlook for 2013**

- Continued flattening of demand in Europe, except in agricultural machinery segment
- Series production projects offset slowdown in Europe
- Market environment in the USA still positive
- China and India could recover
- Significantly higher sales expected thanks to acquisition of Ölhydraulik Altenerding and slight increase in profitability

# Emhart Glass

## Glass container manufacturing equipment



Gob forming



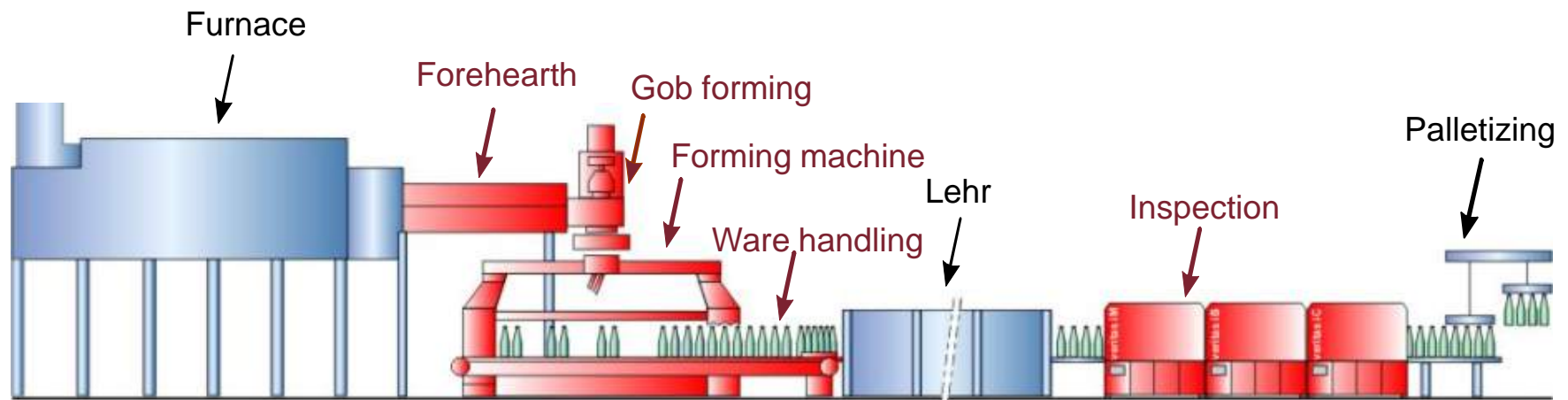
Glass forming machine



Ware handling



Inspection

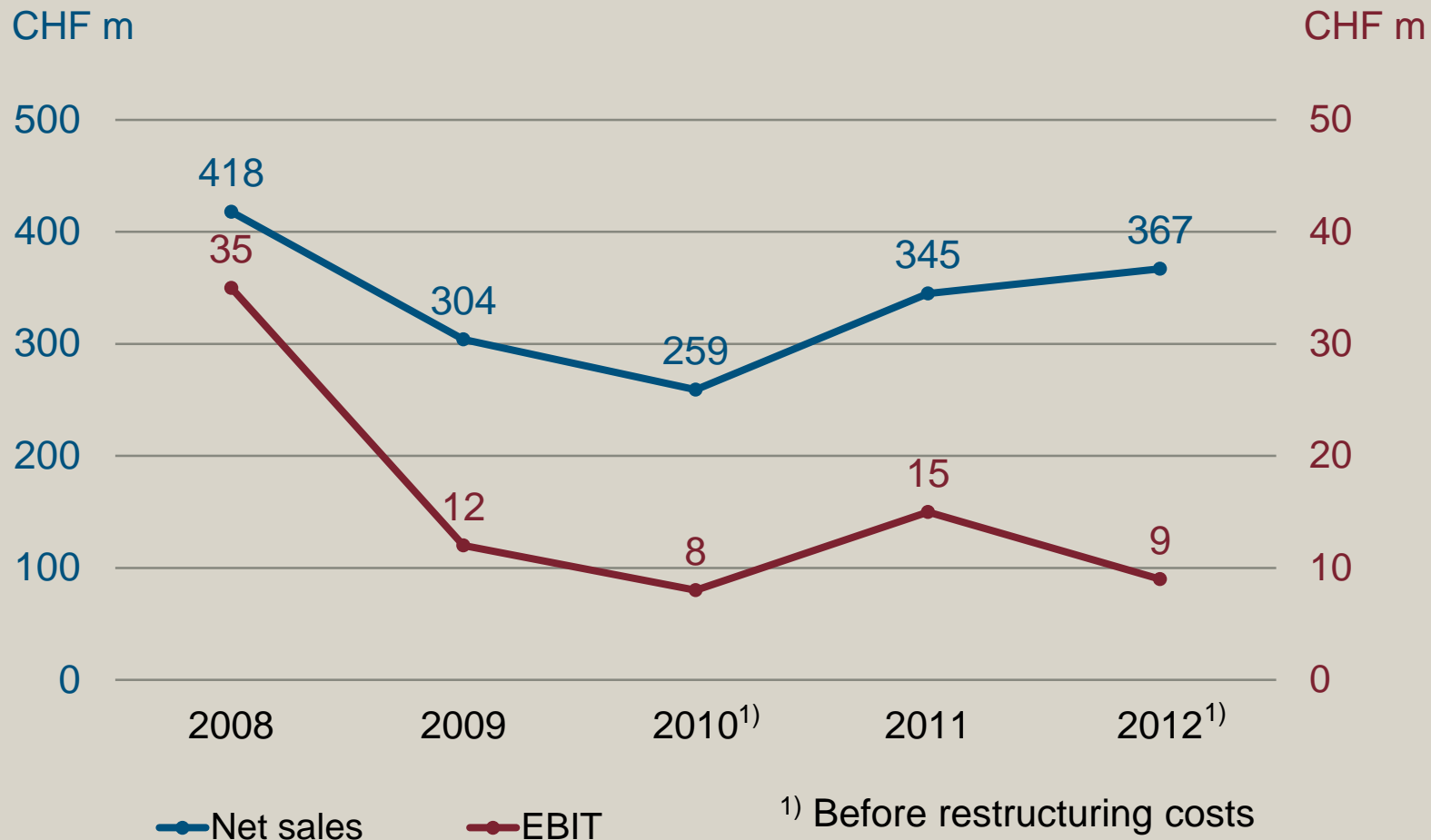


Glass container manufacturing process



# Emhart Glass

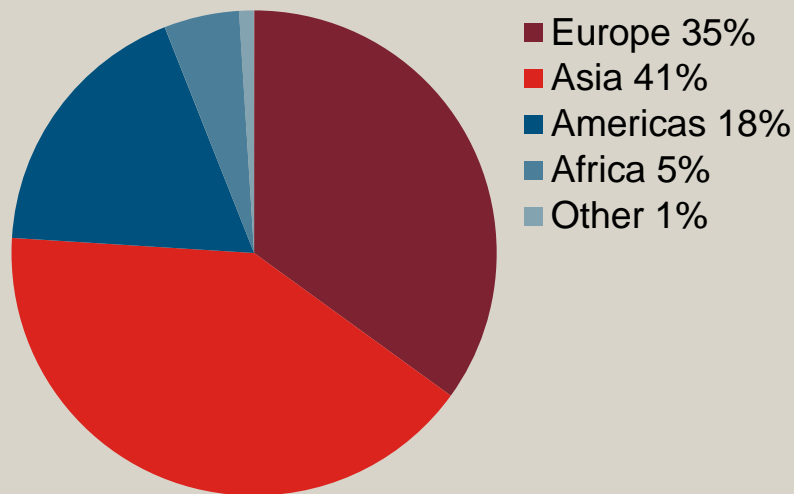
## Net sales and EBIT



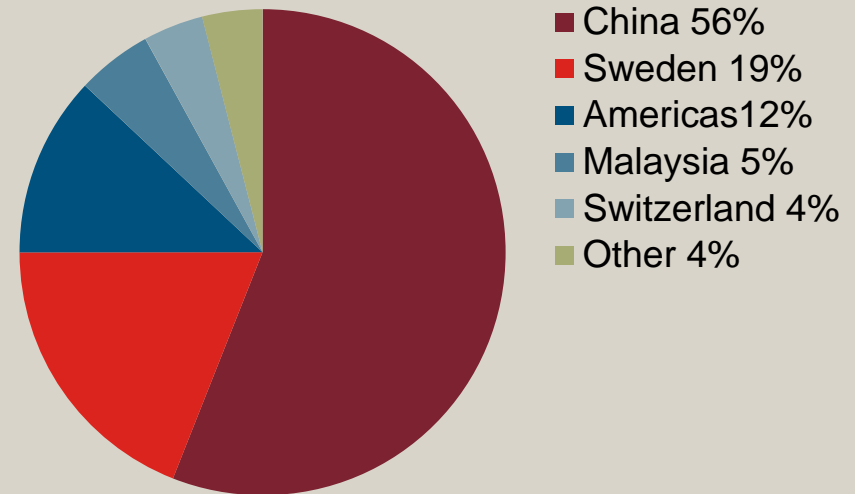
# Emhart Glass

## Net sales and number of employees 2012

Net sales  
CHF 367 million



Number of employees  
2 027 employees



## **Emhart Glass**

### **Market position**

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

# Emhart Glass

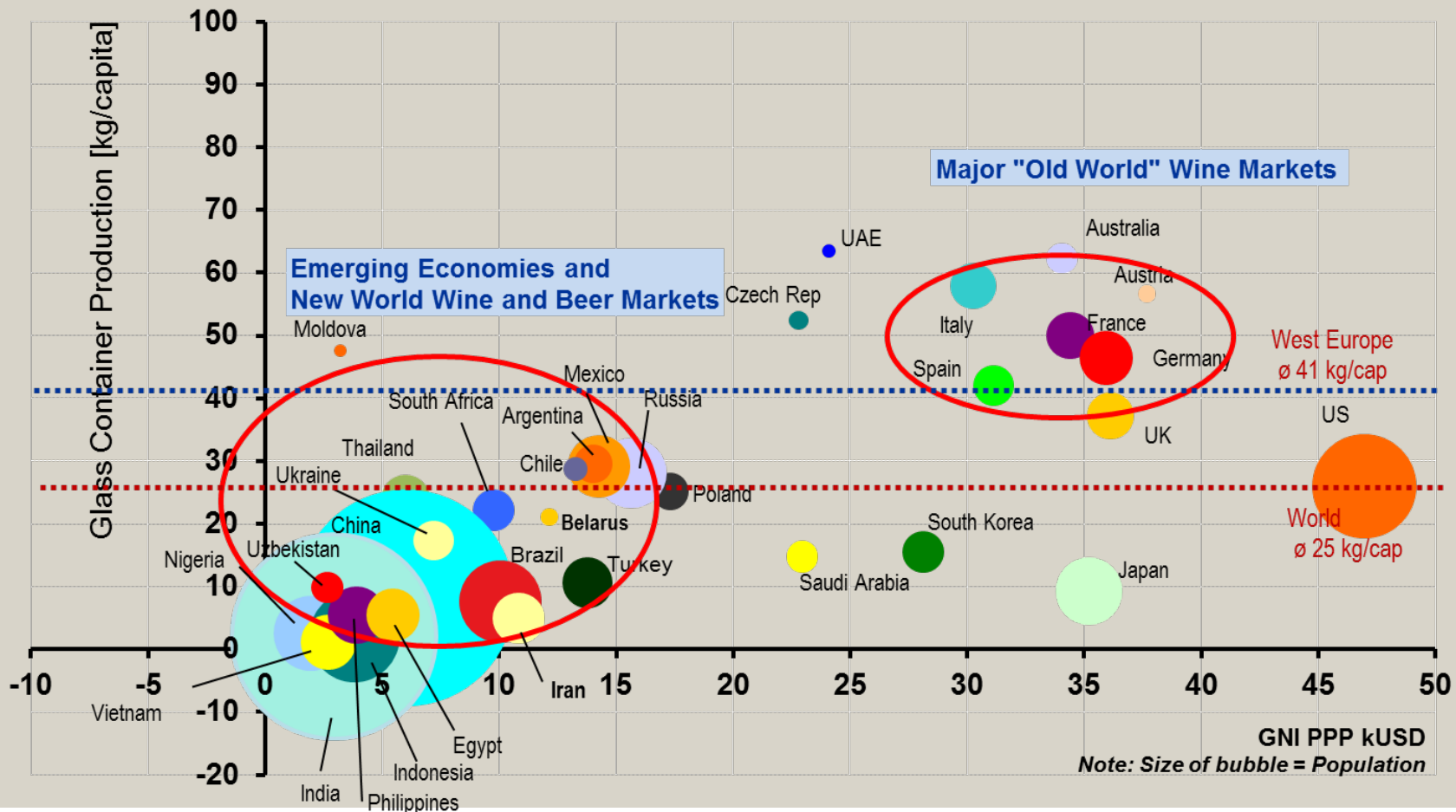
## World's leading machinery manufacturer

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

# Emhart Glass

## Glass consumption per capita

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



## **Emhart Glass**

### **2012 highlights**

- Marked project-related fluctuations in capacity utilisation
- Recovery after weak first quarter, with shift of emphasis towards growth markets in Asia, the Middle East and South America
- Trend in growth markets towards simpler glass-forming machinery
- Decline in order intake due to effect of major order in previous year
- First commercial tempered glass system to Vetropack in early 2013
- Realignment of capacities and leverage of worldwide presence
  - Production of simpler, standard machinery transferred to Asia
  - Concentration on high-end machinery in Europe
  - From 2015, cost savings by CHF 30 million per annum
  - Restructuring costs of CHF 13 million, of which CHF 9 million in 2012
- Marginally positive operating profit of CHF 1 million

## **Emhart Glass Outlook for 2013**

- Market environment stable overall
- Growing demand for simpler, mid-range machines in emerging economies
- High level of capacity utilisation at customer plants benefits spare parts and service business
- Initial savings exceed restructuring costs
- Sales to reach similar level to previous year and clear improvement in operating profit anticipated

# Bucher Specials

## Independent businesses

**BUCHER**

Winemaking equipment



Fruit juice processing systems and drying equipment



Agricultural distributorship for Switzerland



Horizontal grape presses



Hydraulic presses



New Holland tractor



Micro-filtration systems

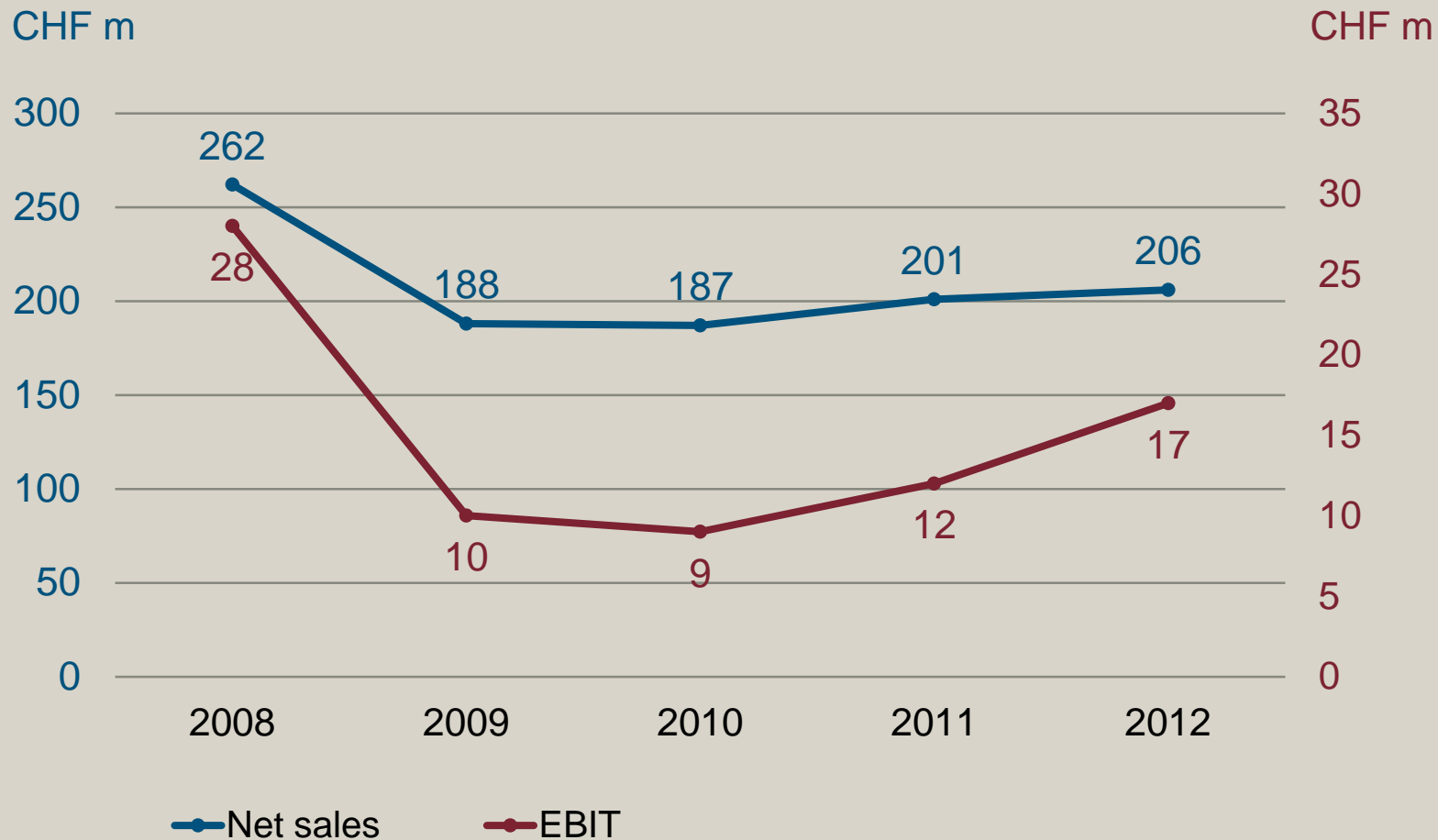
Filtration systems

Round balers



# Bucher Specials

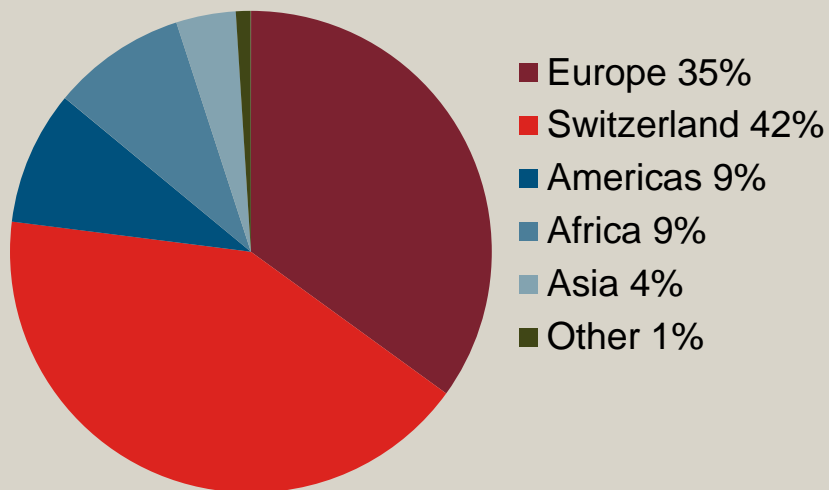
## Net sales and EBIT



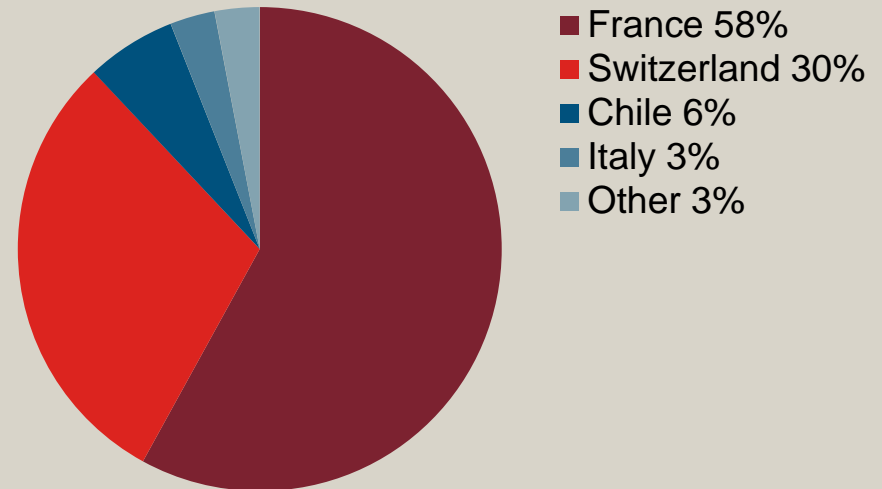
# Bucher Specials

## Net sales and number of employees 2012

Net sales  
CHF 206 million



Number of employees  
506 employees



## **Bucher Vaslin**

### **Market position**

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

# Bucher Vaslin

## World market leader

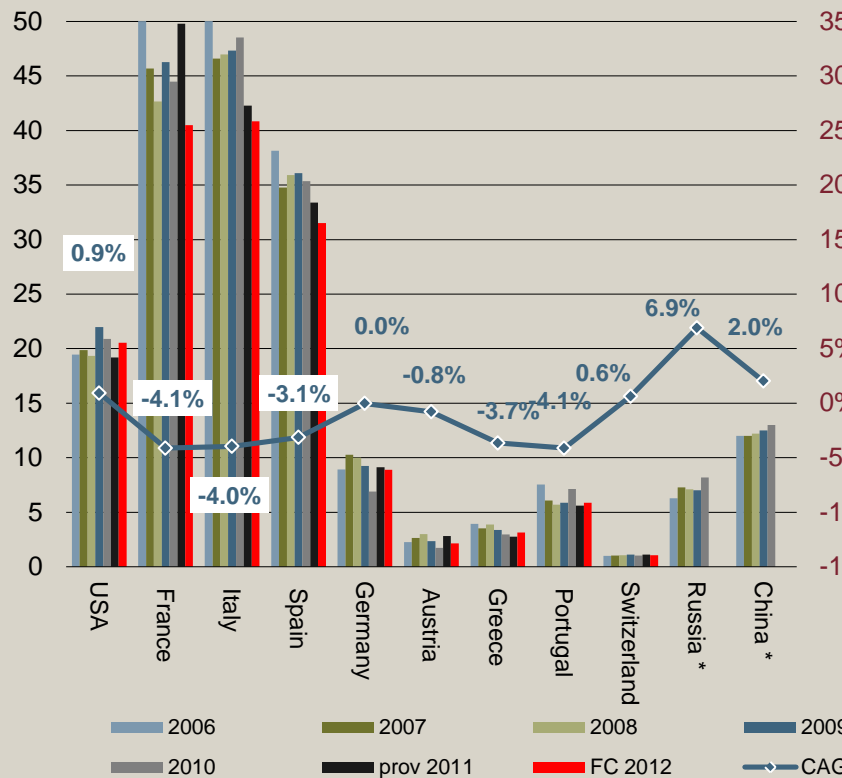
### Wine production

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

## Bucher Vaslin Wine production

### northern hemisphere

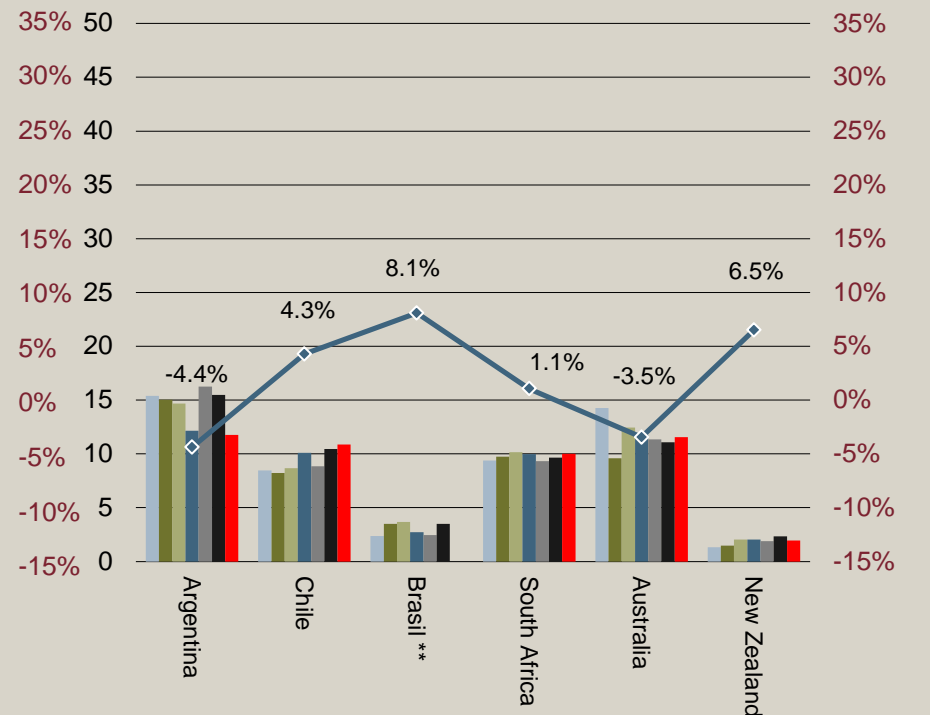
Million hl



### southern hemisphere

Million hl

CAGR



## **Bucher Unipektin**

### **Market position**

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

# Bucher Unipektin

## World market leader

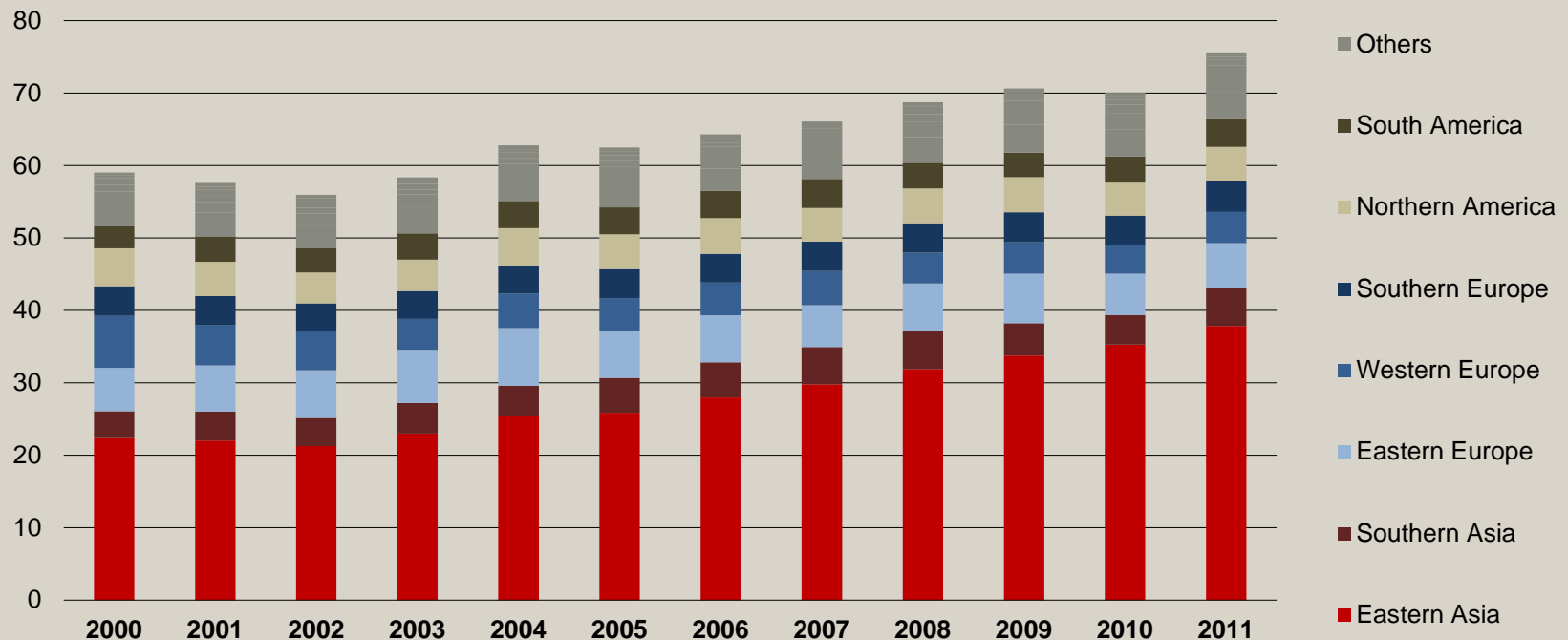
### Juice production

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

# Bucher Unipektin Apfelproduktion

**BUCHER**

Million tonnes





## **Bucher Landtechnik**

### **Market position (in Switzerland)**

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

## Bucher Landtechnik Market leader in Switzerland

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

# **Bucher Specials**

## **2012 highlights**

- Stable market environment overall
- Winemaking equipment
  - Subdued demand in Western Europe, further decline in France
  - Buoyant demand in USA and southern hemisphere
  - Annual production lower than consumption, led to reduction in inventories
- Fruit juice processing
  - Pleasing market growth, even without major orders
  - Rising demand for instant products in Asia and Africa
  - Slow-moving demand for equipment for dewatering sewage sludge
- Swiss distributorship for tractors and agricultural machinery
  - Favourable environment, with rising prices for agricultural produce
  - Farmers unsettled by adoption of agricultural policy for 2014 – 2017
- Marked growth in operating profit

# **Bucher Specials Outlook for 2013**

- Market outlook for the independent businesses
  - Backlog of deferred investments in winemaking equipment
  - Solid development of business with equipment for fruit juice processing and dewatering sewage sludge
  - Acquisition of Filtrox Engineering brings entry into beer filtration and sales growth
  - After very good performance in 2012, Bucher Landtechnik distributorship expects stable market conditions
- Bucher Specials expects marked sales growth and an improvement in operating profit