

# Group presentation

## Technology group founded in 1807

- Group specialised in mechanical and vehicle engineering
- Strategy of technology and market leadership with opportunities for market consolidation
- Established markets offering considerable growth and earnings potential with consistently high cash flow
- Clear divisional structure with decentralised profit responsibility
- Group-wide strategic and financial management

## Group portfolio

- Consists of industrially related divisions
- Has growth potential in sales and profits
- Generates continuously a positive free cash flow which we re-invest in our industrial activities
- We strive for worldwide market leadership by
  - product innovation
  - sales network and high service levels
  - good price/performance ratios for customers
  - taking advantage of industry consolidation
- Bucher Industries is a long term oriented industrial group

## Five businesses



### **Kuhn Group**

Agricultural machinery for fodder harvesting and processing, soil preparation, seeding technology and plant cultivation

#### **2006:**

Sales CHF 779 m  
Employees 2748



### **Bucher Municipal**

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

#### **2006:**

Sales CHF 537 m  
Employees 1482



### **Bucher Process**

Machines and equipment for wine and fruit juice production as well as drying technologies

#### **2006:**

Sales CHF 140 m  
Employees 506



### **Bucher Hydraulics**

Customer-specific hydraulic drive and control systems for mobile and industrial applications

#### **2006:**

Sales CHF 308 m  
Employees 1164



### **Emhart Glass**

Machines, components and equipment for the glass container industry

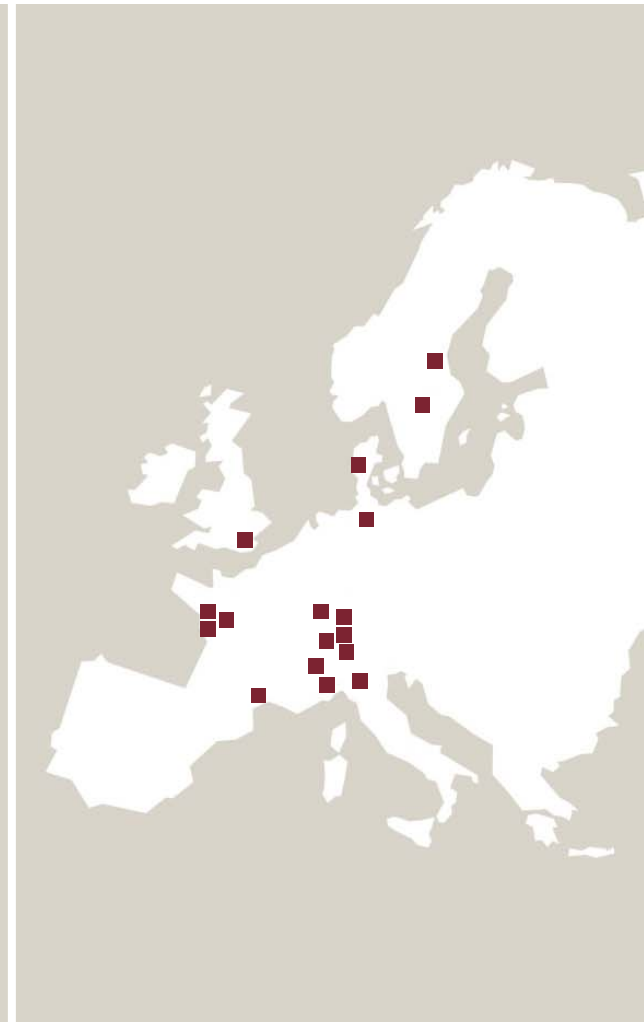
#### **2006:**

Sales CHF 332 m  
Employees 862

## No. 1 market positions

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

# Manufacturing sites worldwide



## Financial goals of the Group / Divisions

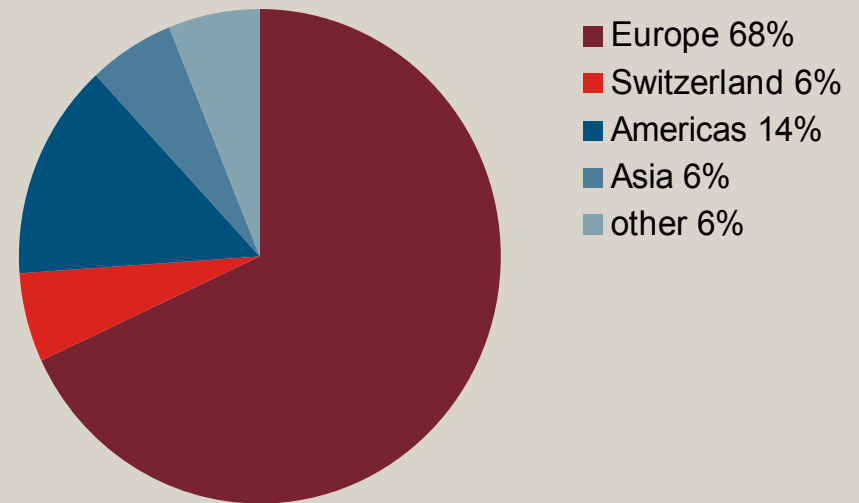
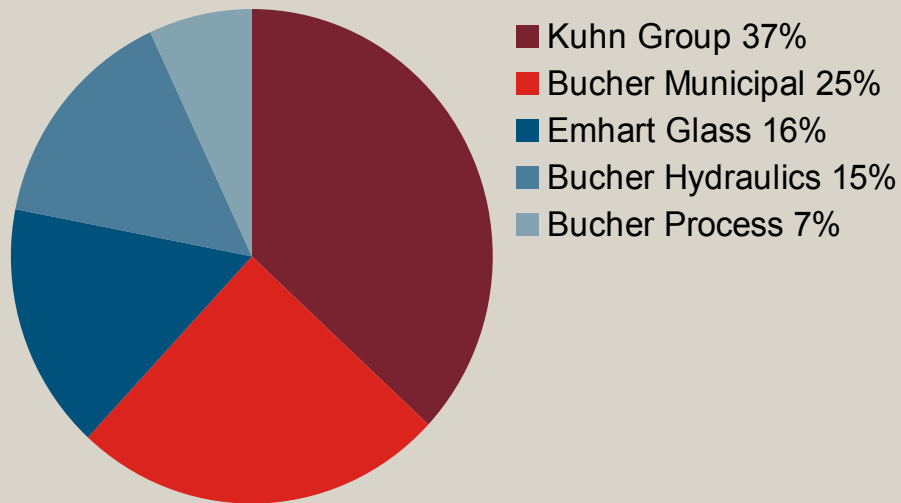
EBIT-margin in %	Goals	2006	2005	2004	2003	2002
Kuhn Group	>10%	5.3	8.4	8.3	7.6	11.2
Bucher Municipal	6%	5.4	4.2	2.2	0.5	0
Bucher Process	8%	7.6	5.9	4.1	-2.3	-7.0
Bucher Hydraulics	>9%	12.6	9.9	8.6	3.9	1.0
Emhart Glass	>8%	7.0	5.2	6.9	6.3	5.7
<b>Bucher Industries</b>	<b>8%</b>	<b>5.9</b>	<b>6.0</b>	<b>5.6</b>	<b>3.8</b>	<b>2.3</b>

### Group and divisions

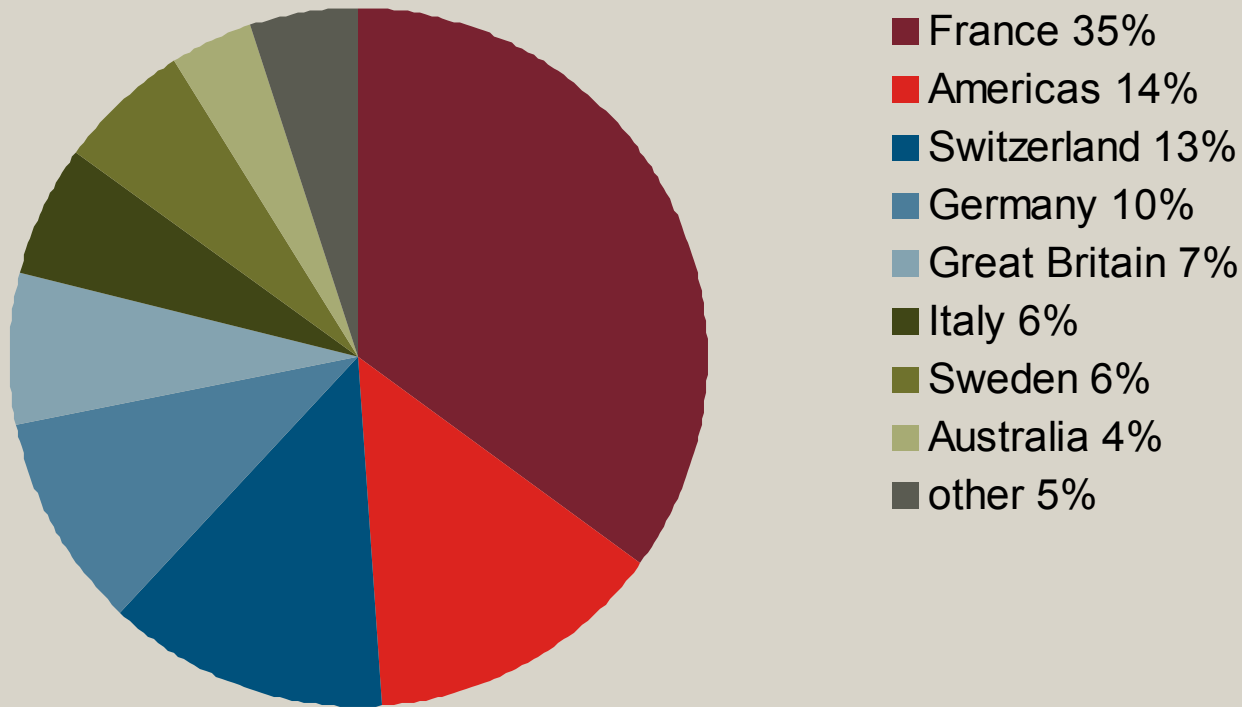
RONOA after tax	>14%	14.3	14.8	12.1	6.9	4.5
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# Net sales by divisions and regions 2006

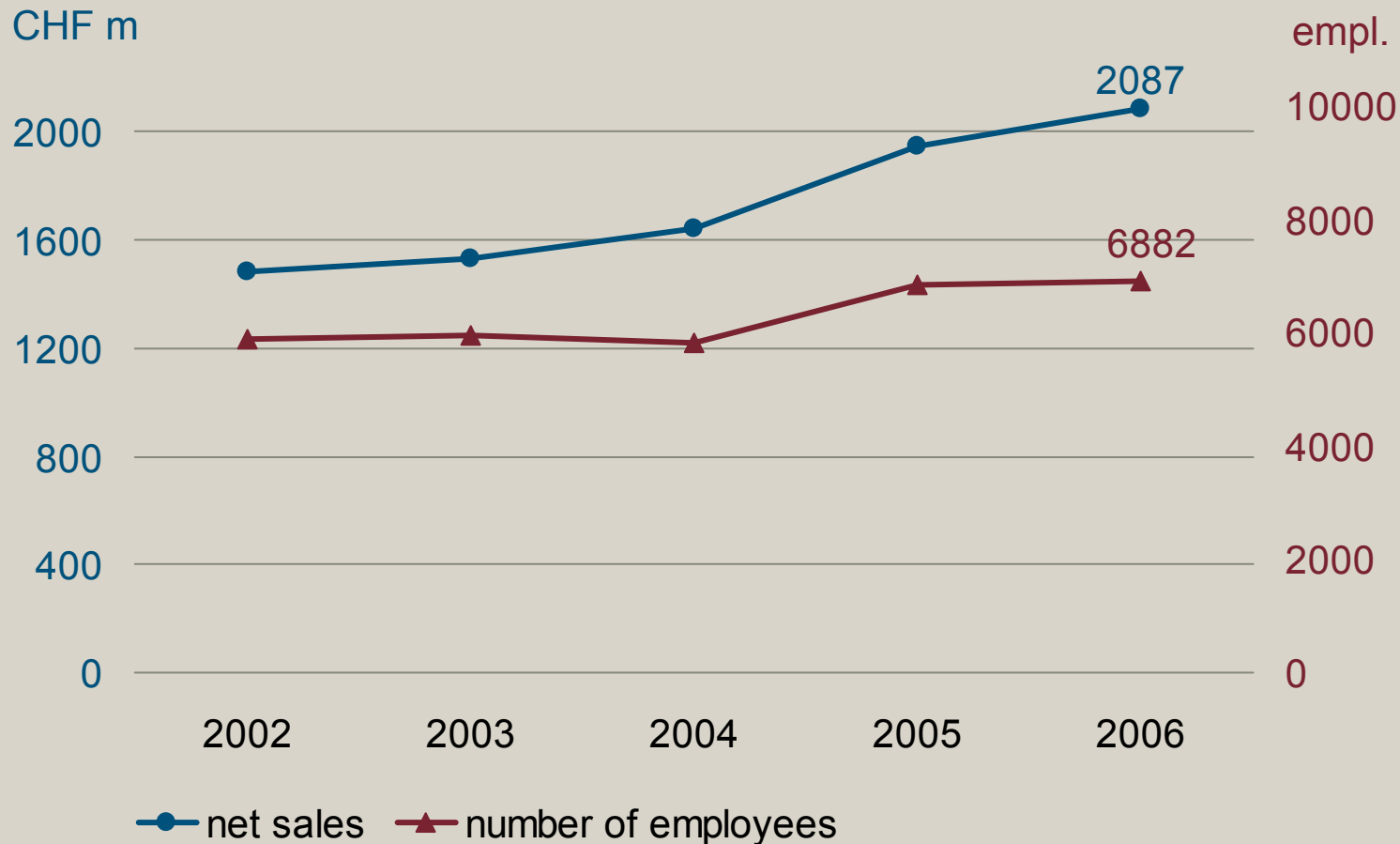
CHF 2087 m



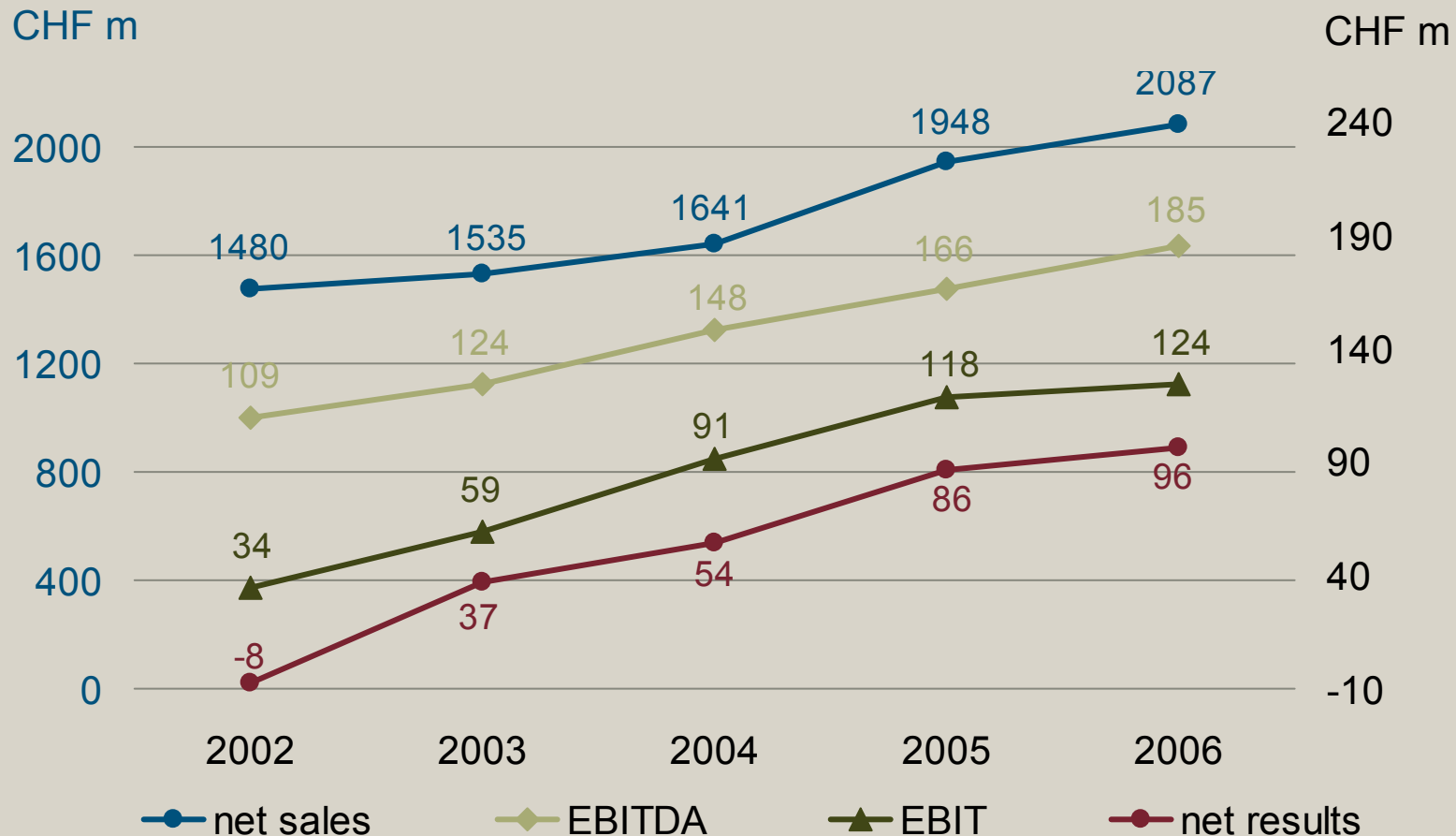
## Number of employees by regions 2006



# Net sales and number of employees



# Net sales and results



## Group in 2006

- New sales and earnings milestone
- First time all divisions reached/exceeded a 14% return on net operating assets after tax
- Group sales up 7% to CHF 2.1 billion
- Order intake up 11%, order book up 16%
- Kuhn Group strengthened by closure of a loss-making plant; Emhart Glass by concentrating production
- Good financial result, mainly due to income from securities
- Net result up 11% year on year despite CHF 25 million in restructuring costs and CHF 9 million in impairment

## Group in 2006 (continued)

- Higher operating results
  - EBITDA up 11% to CHF 185 million
  - EBIT up 5% to CHF 124 million
  - EBIT margin of 5.9% (7.6% without one-off items)
- CHF 20 million decline in net assets despite higher sales
- After-tax return on capital of 14.3%, above the Group target
- Earnings per share up 10% to CHF 9.55
- Solid balance sheet
  - Net cash position of CHF 173 million
  - Total intangible assets represented only 9% of equity
  - Equity ratio of 39%

## Key figures

<b>CHF million</b>	<b>2006</b>	<b>2005</b>	<b>Change %</b>
Order intake	2 163	1 947	11.1
Net sales	2 087	1 948	7.1
Order book	605	524	15.6
Operating result (EBITDA)	185	166	10.9
in % of net sales	8.8%	8.5%	
Operating result (EBIT)	124	118	5.0
in % of net sales	5.9%	6.0%	
Net result	96	86	10.9
in % of net sales	4.6%	4.4%	

## Investment for the future

<b>CHF million</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Development expenses	65	63	54	51	57
Capital expenditure	58	52	37	39	39

## Results by divisions

CHF million	2006		2005	
	EBIT	EBIT- margin	EBIT	EBIT- margin
Kuhn Group	42	5.3%	65	8.4%
Bucher Municipal	29	5.4%	18	4.2%
Bucher Process	11	7.6%	8	5.9%
Bucher Hydraulics	39	12.6%	27	9.9%
Emhart Glass	23	7.0%	17	5.2%
others/consolidation	-20		-17	
<b>Bucher Industries</b>	<b>124</b>	<b>5.9%</b>	<b>118</b>	<b>6.0%</b>

# Kuhn Group Implements agricultural machinery



Ploughing



Soil treatment



Seeding



Fertilizing



Manure spreaders



Spraying



Landscape caring



Shredding



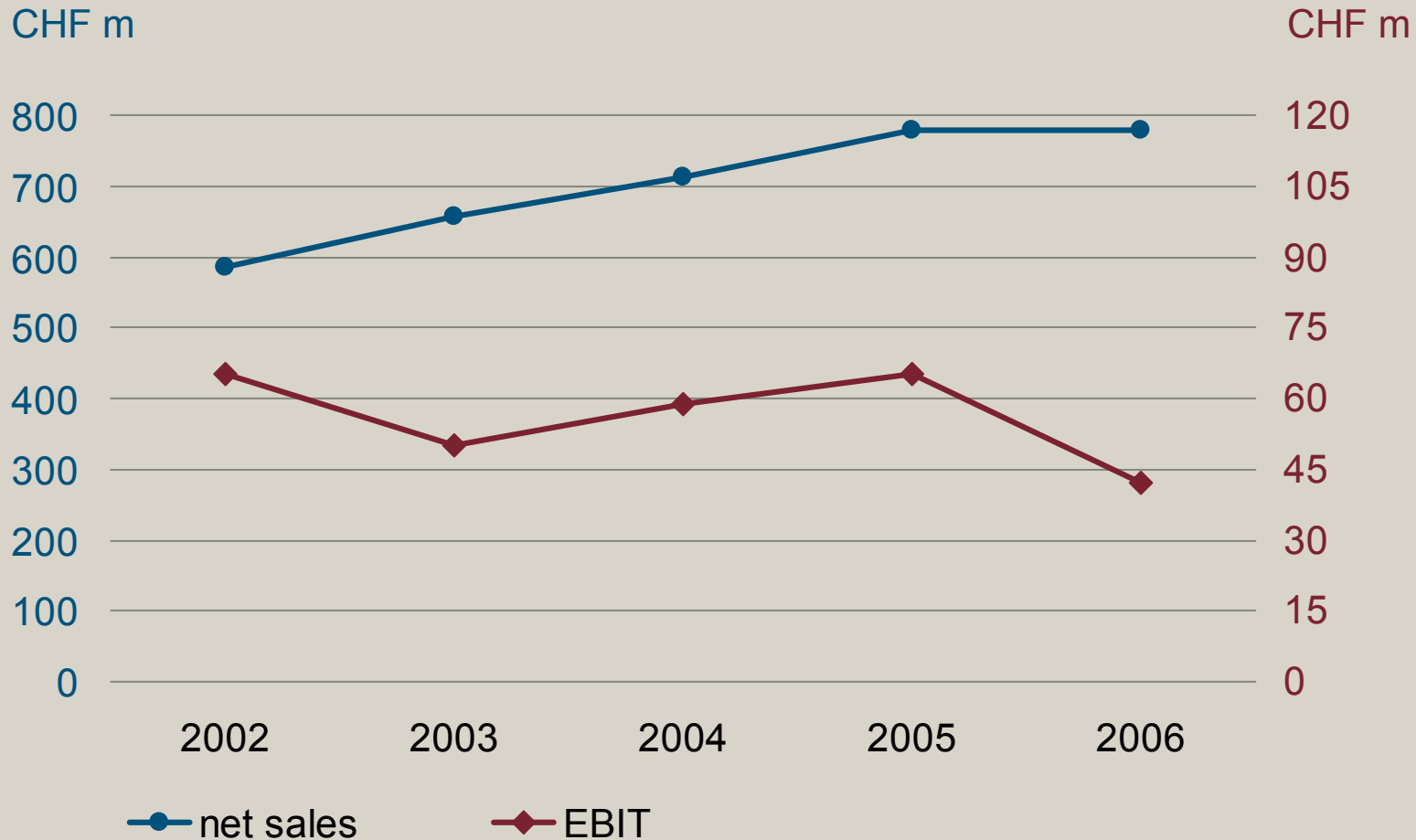
Fodder harvesting



Feeding technology

# Kuhn Group

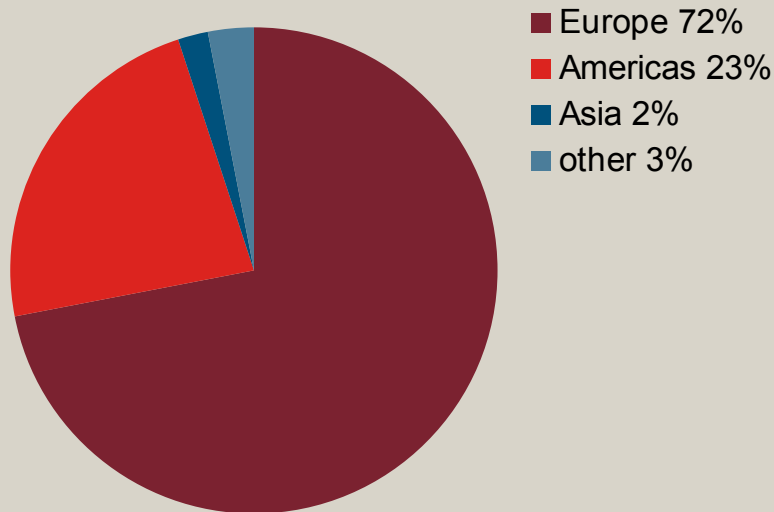
## Net sales and EBIT



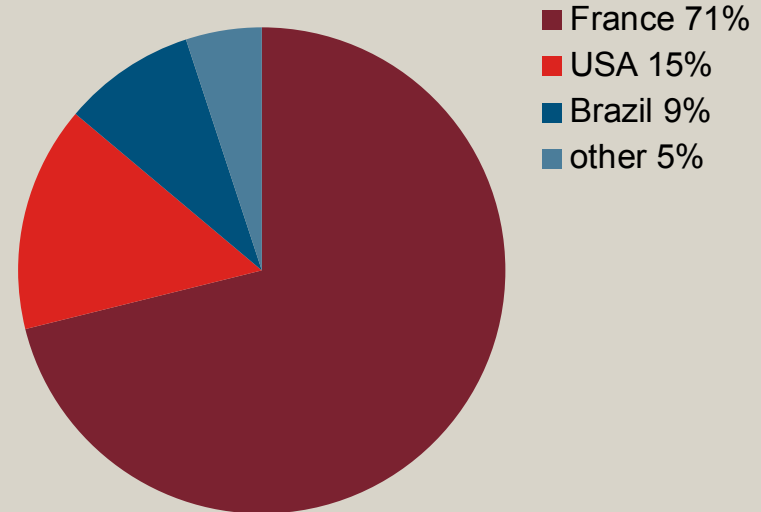
# Kuhn Group

## Net sales and number of employees 2006

Net sales  
CHF 779 m



Number of employees  
2822 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

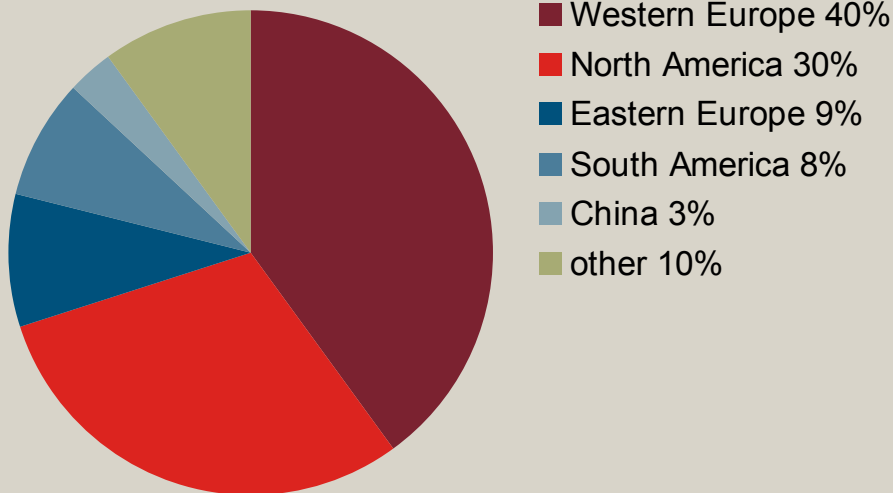
## Complete product range under one brand

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														
Hardi														
Exel														
Lemken														
Horsch														
Väderstad														
Kongskilde														
Lely														
Sulky														
Monosem														

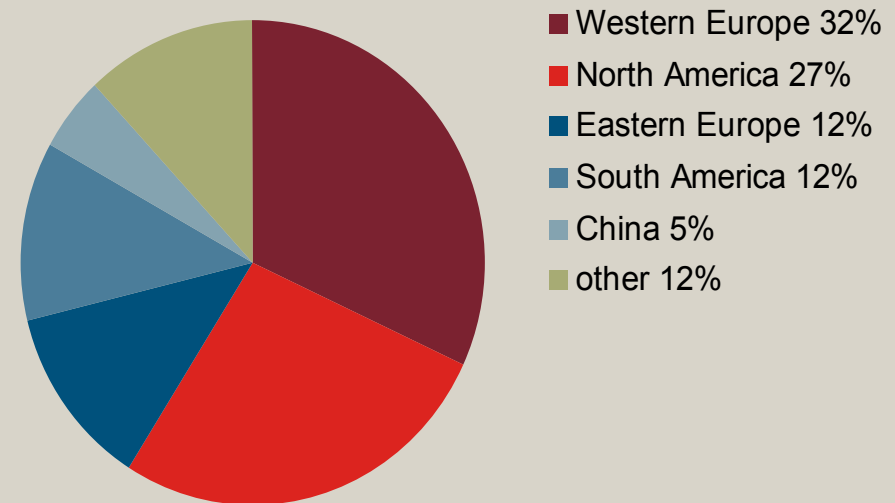
# Kuhn Group

## World market for agricultural machinery

2005  
Total USD 42 billion



2015  
Total USD 45 billion



# Kuhn Group Highlights in 2006

- Sales flat in CHF, down 1.6% in local currency
- Mixed market conditions
  - Strong demand from Central and Eastern Europe
  - Stagnation in Western Europe, except for Germany
  - Years of strong growth cooling off in North America
  - Brazil weaker again, slowly recovering after bottoming out
- Closure of Kuhn Nodet plant and transfer of seed drill production to other factories in France
- CHF 20 million in restructuring costs and CHF 9 million in impairment of patents/brands
- Operating EBIT of CHF 42 million, down CHF 23 million year on year

# Kuhn Group Outlook for 2007

- Regional variations in demand
  - Rising demand in Western Europe and North America
  - High growth continuing in Eastern Europe
  - Gradual recovery in South America
- Weak US dollar/Euro exchange rate weighing on operating result
- Strong Euro boosting results in CHF
- Extent of sustainable recovery in Brazil difficult to predict; sales initiatives to strengthen the Kuhn brand
- Momentum from new product launches
- Investment in a new assembly plant in France
- Growth in sales and a substantially higher operating result

# Kuhn Group

## Major investment project for 2007/2008

Assembly plant for large agricultural machinery near Saverne, FR

- Kuhn Group head office
  - Restricted to centre of Saverne
  - Sub-optimal processes with smaller, external facilities
  - Larger machines need more space
  - Outsourcing currently between 50% and 80%
  - High concentration of product, market, manufacturing and logistics expertise
- Location in Saverne or Eastern Europe
  - Alsace boasts very positive work attitudes, centrally located in Europe
  - Proximity to head office allows expansion without additional recruitment
  - Production cost comparison in Saverne's favour

Investment costs CHF 44 million, of which CHF 22 million in 2007

# Bucher Municipal Sweepers and winter equipment



Compact sweepers



Truck mounted sweepers



Salt and liquid spreaders

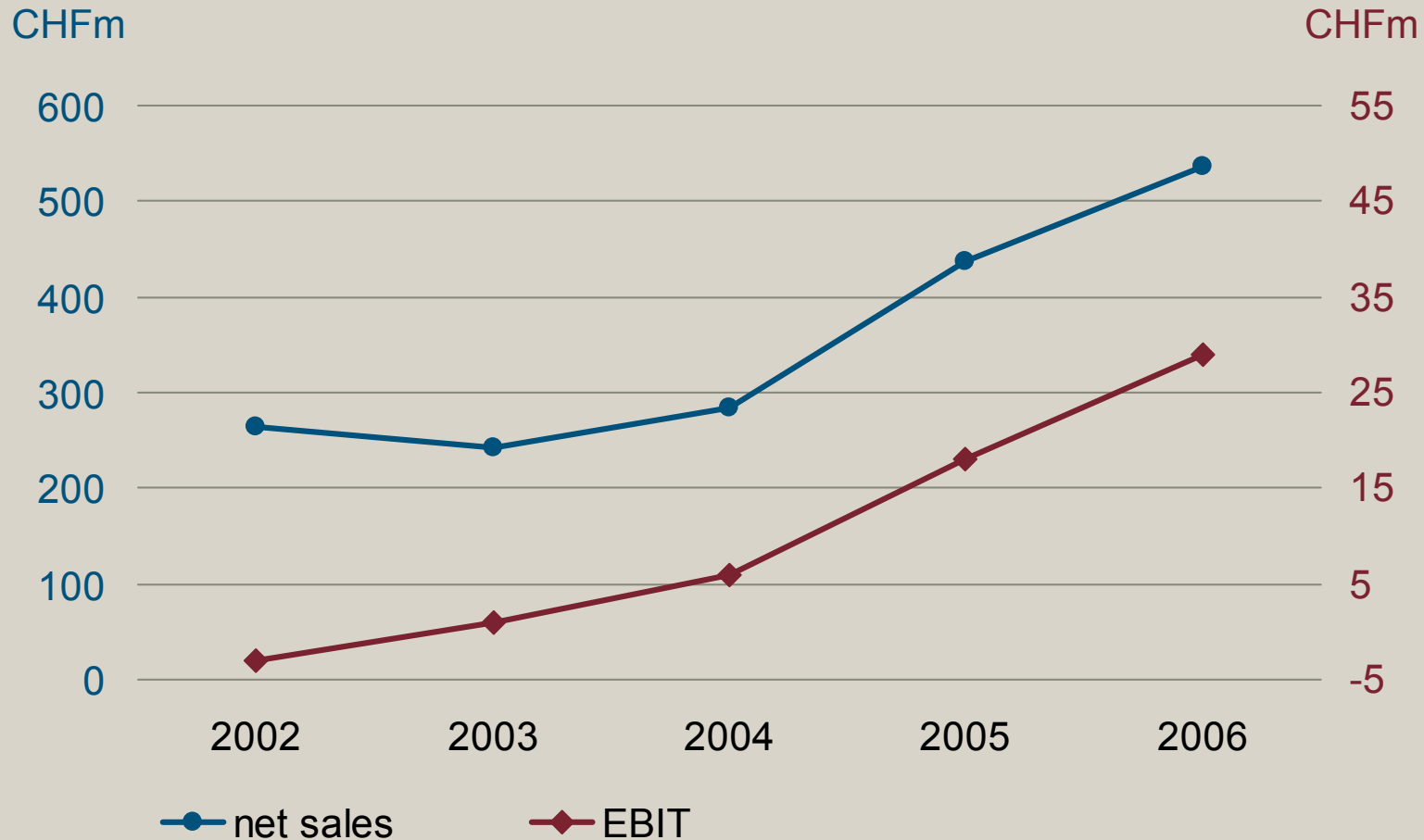


Snow blowers



Waste and garbage collectors

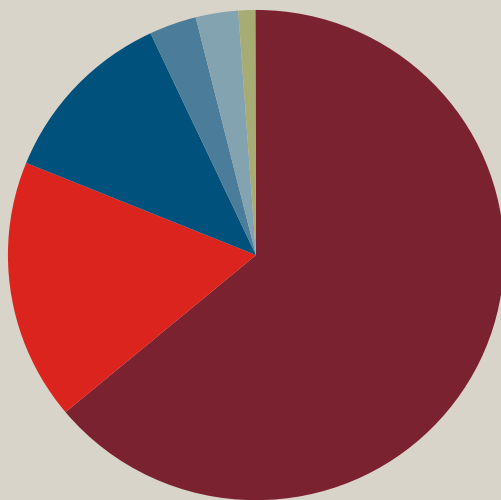
# Bucher Municipal Net sales and EBIT



# Bucher Municipal

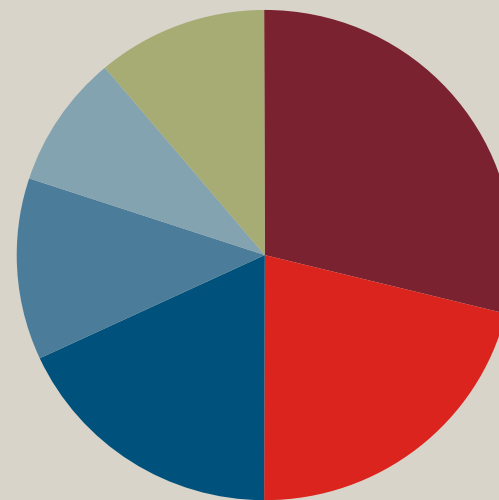
## Net sales and number of employees 2006

Net sales  
CHF 537 m



- Europe 64%
- Switzerland 17%
- Australia 12%
- Americas 3%
- Asia 3%
- other 1%

Number of employees  
1528 persons



- Great Britain 29%
- Switzerland 21%
- Australia 18%
- Germany 12%
- Italy 9%
- other 11%

## 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		Vehicles		
	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	3.5t	5t	6t
<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 2006

- Market recovery after several years of stagnation
- Large orders for sweepers and airport equipment
- High organic growth of 11%, outpacing the market average
- Municipal vehicles and airport equipment gained market share thanks to flexible production structures
- Assembly plant in Latvia quadrupled output to over 200 sweepers
- Focus on sweepers and winter maintenance equipment through sale of Niederweningen component manufacturing operations and Italian utility vehicle business
- EBIT margin close to 6% target set by the Group (milestone)

# Bucher Municipal Outlook for 2007

- Favourable market environment expected to continue
  - Solid demand in principal markets
  - Several major contracts ensuring good capacity utilisation
- Continuation of cost leadership strategy
  - Use of joint sourcing potential
  - Strengthening of the Bucher Schörling and Johnston distribution channels
  - Further expansion of the assembly plant in Latvia
- Sales at approximately the same level as last year and a slightly improved operating result

# Bucher Process

## Wine and fruit juice production plants



Grape reception



Pneumatic tank presses



CF filtration



Reverse osmosis



Mills



Hydraulic presses



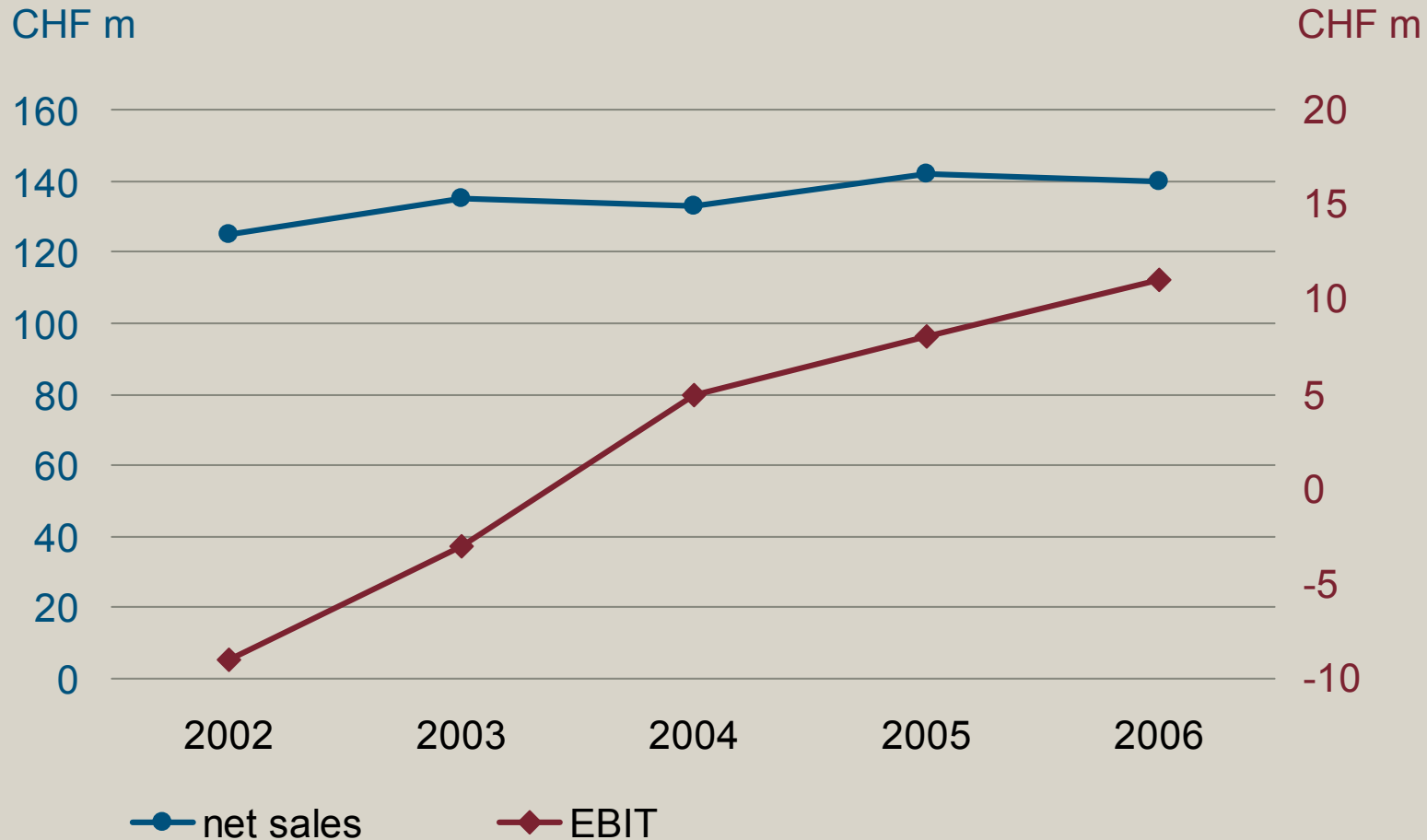
Ultra filtration



Evaporator

# Bucher Process

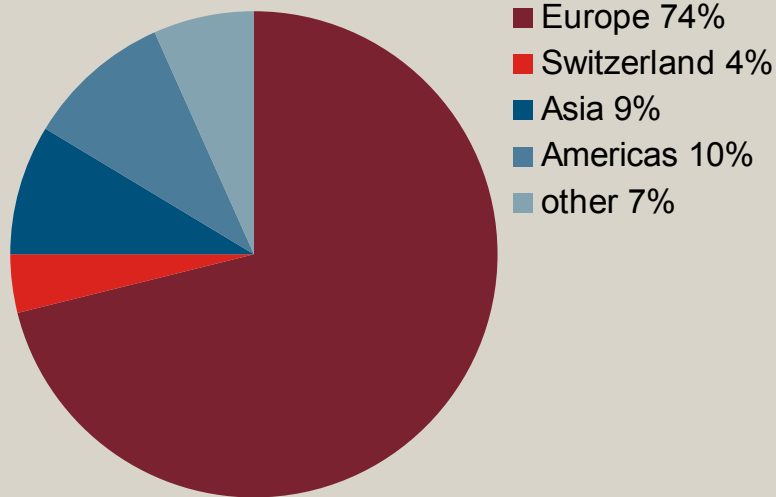
## Net sales and EBIT



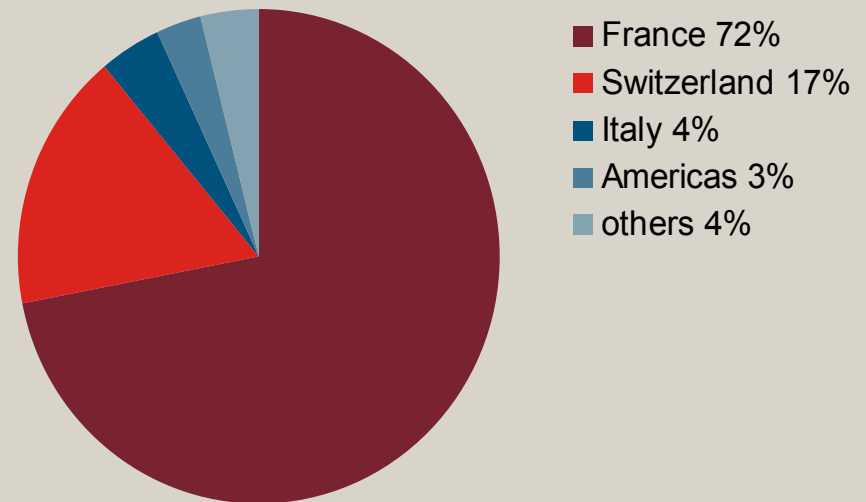
# Bucher Process

## Net sales and number of employees 2006

Net sales  
CHF 140 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 Vaslin</b>						
Pera (FR)						
Diemme (IT)						
Velo (IT)						
Della/Toffola (IT)						
Gai (IT)						

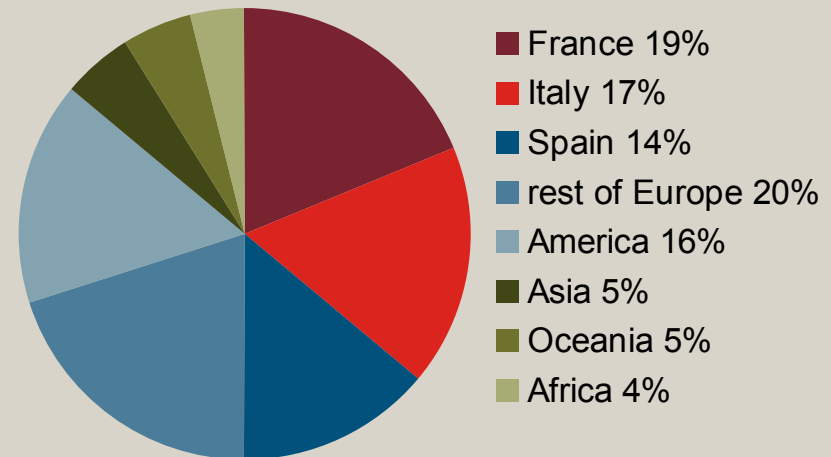
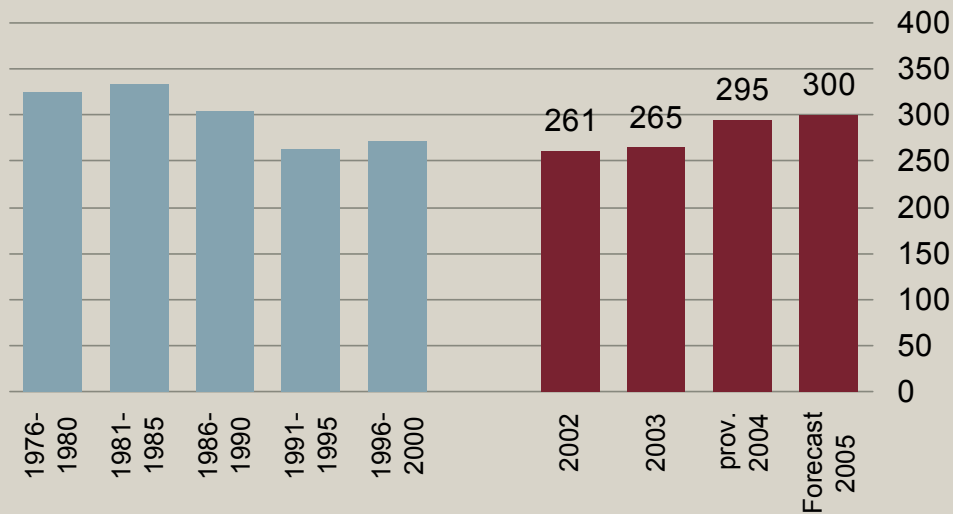
### Juice production

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

# Bucher Process

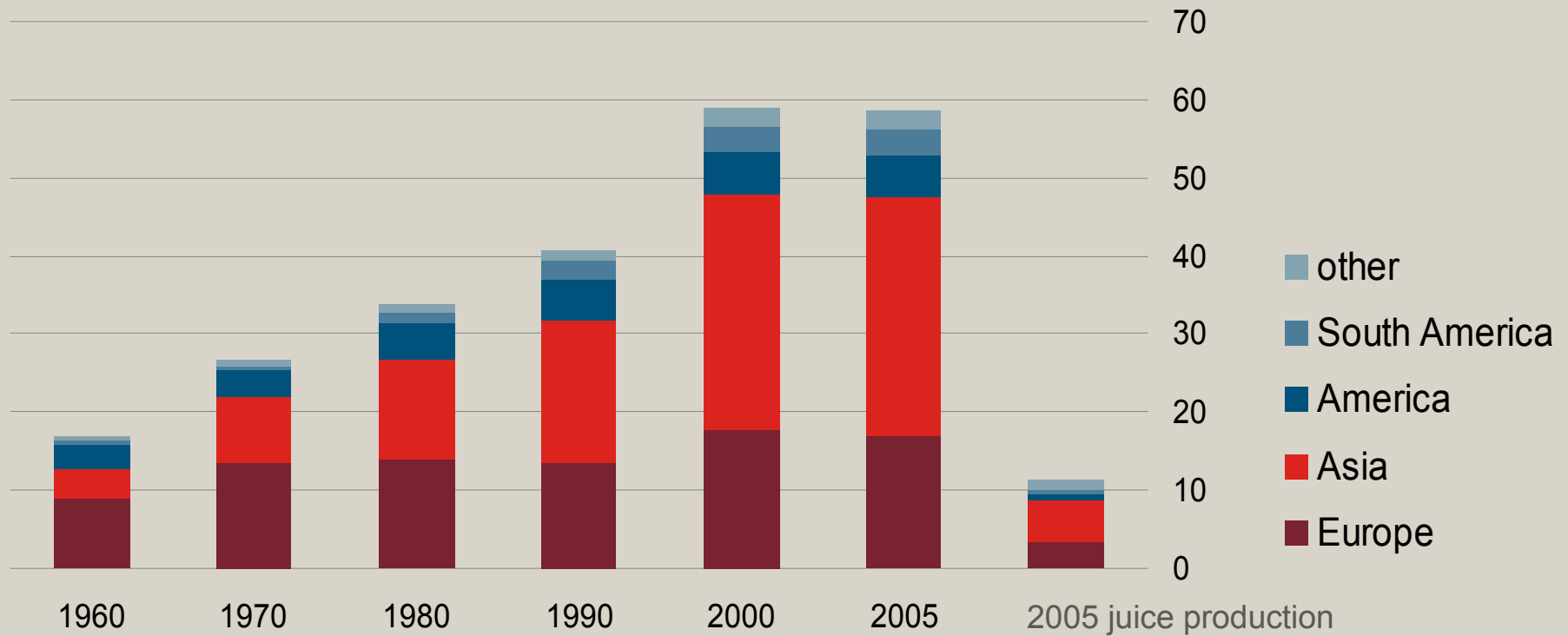
## World production of wine

million hl



# Bucher Process

## World apple production 1960 - 2005



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

# Bucher Process

## Highlights in 2006

- Mixed market conditions
  - Difficult market environment for wine making equipment with demand down 15% in the key French market
  - Stable sales of fruit juice processing equipment with European recovery offsetting a decline in China
  - Decline in vacuum drying equipment
- More orders for sludge dewatering equipment following positive results from the reference plant in Germany
- Extensive product innovation in grape presses and filtration equipment
- Improvements in operational efficiency particularly effective in the difficult market environment
- EBIT margin of 7.6% close to target set by the Group

## **Bucher Process Outlook for 2007**

- Upturn in demand for wine making and fruit juice equipment
- Expansion of distribution channels for the sludge dewatering segment
- Positive momentum from several new product launches
- Increased sales and a slightly better operating result

# Bucher Hydraulics

## Customer application markets



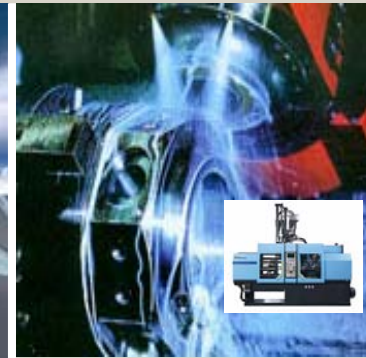
Agricultural  
machinery



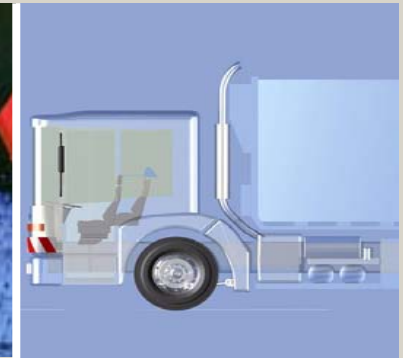
Mining / Tunneling



Wind energy



Industrial  
applications



Municipal



Construction  
equipment



Material handling



Lift Technology

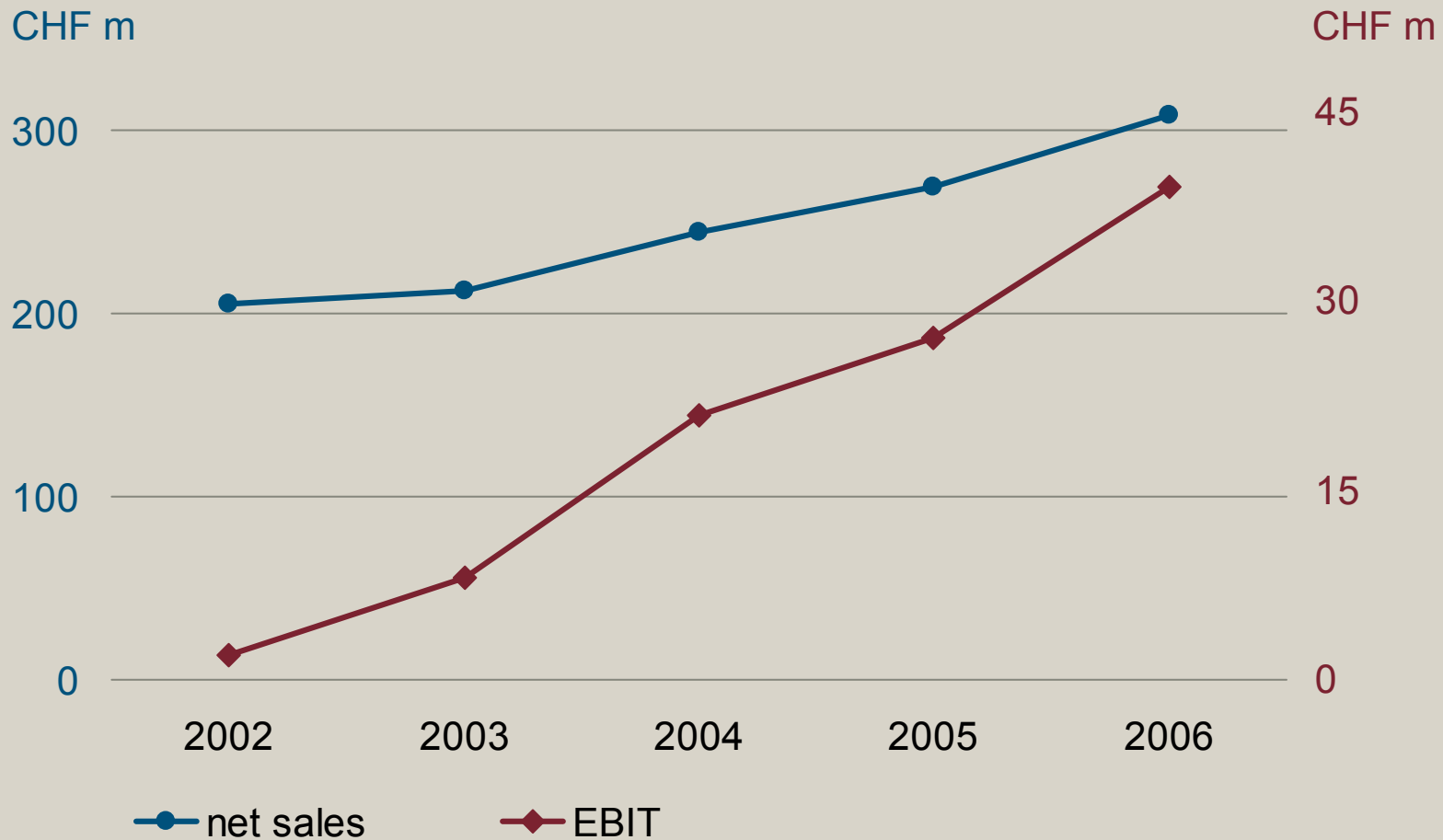


Marine / Offshore



Energy

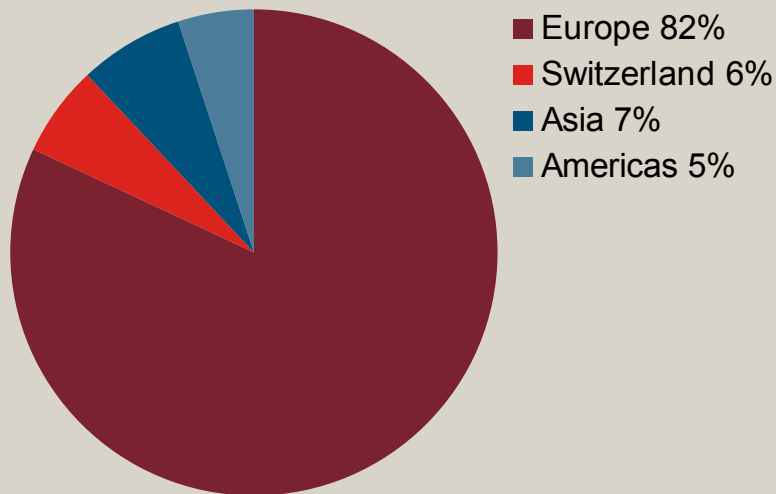
# Bucher Hydraulics Net sales and EBIT



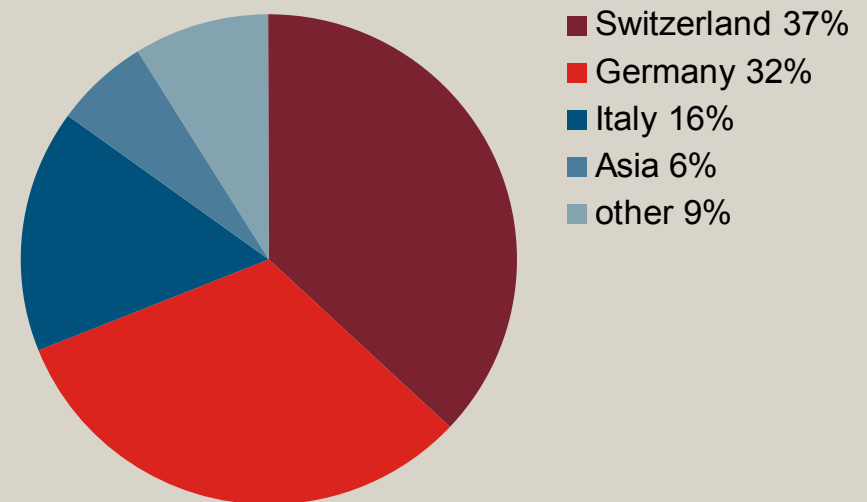
# Bucher Hydraulics

## Net sales and number of employees 2006

Net sales  
CHF 308 m



Number of employees  
1137 persons



# Bucher Hydraulics

## Market position

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

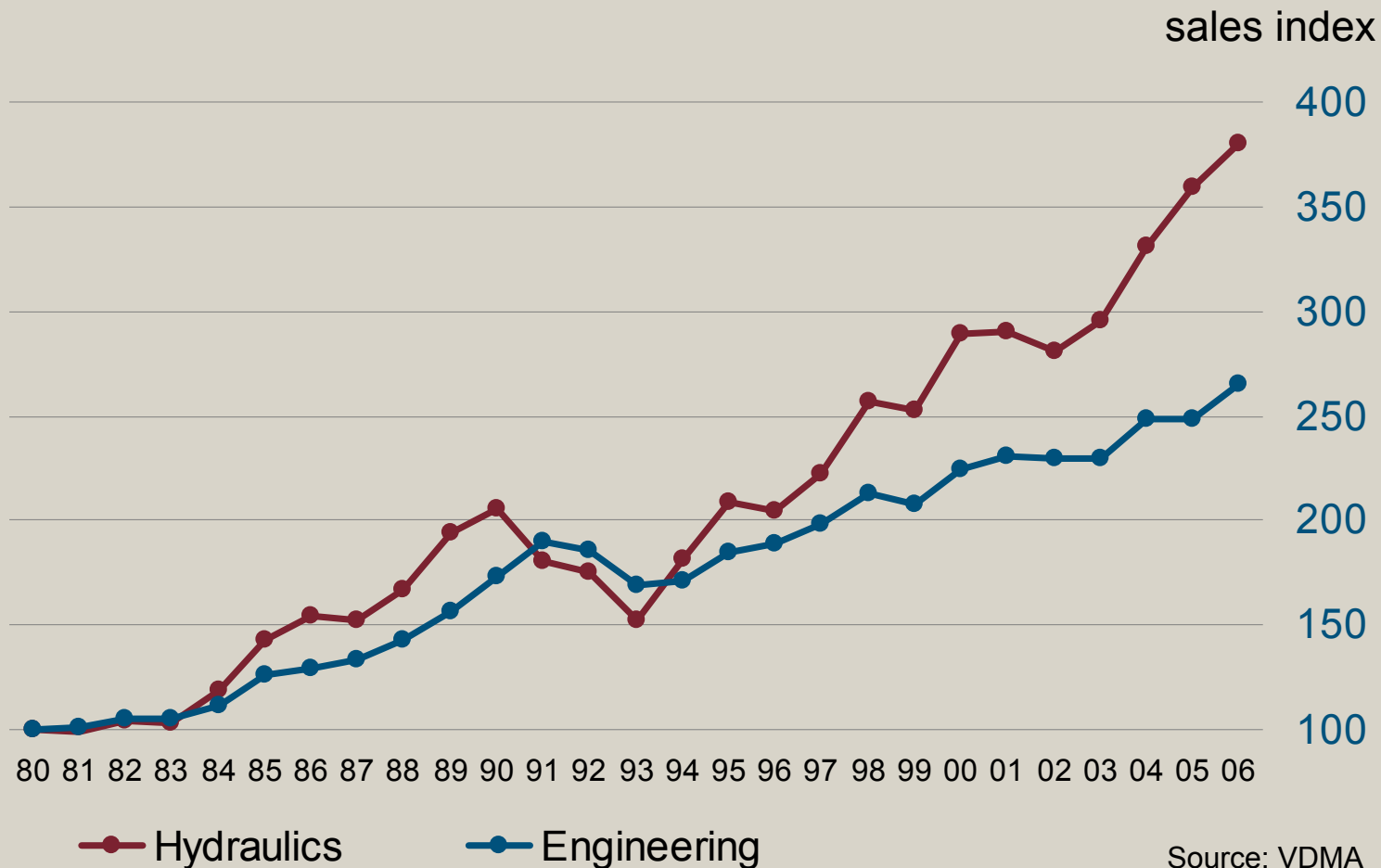
# Bucher Hydraulics

## Leading european position

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

# Bucher Hydraulics

## Growth hydraulics and engineering



# Bucher Hydraulics Highlights in 2006

- New sales, earnings and profitability milestone
- Favourable economic environment in almost all sales markets
- Capacity utilisation up to the capacity limits throughout the year
- High production flexibility, but longer delivery times unavoidable in a few cases
- OEM customers increasingly outsourcing hydraulic systems solutions to competent, global suppliers
- Expansion of production and sales presence in India through acquisition of the former local partner

# Bucher Hydraulics Outlook for 2007

- No foreseeable change in high demand
- Expansion of application engineering and technical sales network
- Efforts to strengthen presence in North America and China
- Development and expansion of state-of-the-art, automated manufacturing and assembly cells in high-wage countries
- Expansion of Frutigen plant capacity
- Significantly higher sales and operating result

# Emhart Glass Machinery glass container production



Gob forming



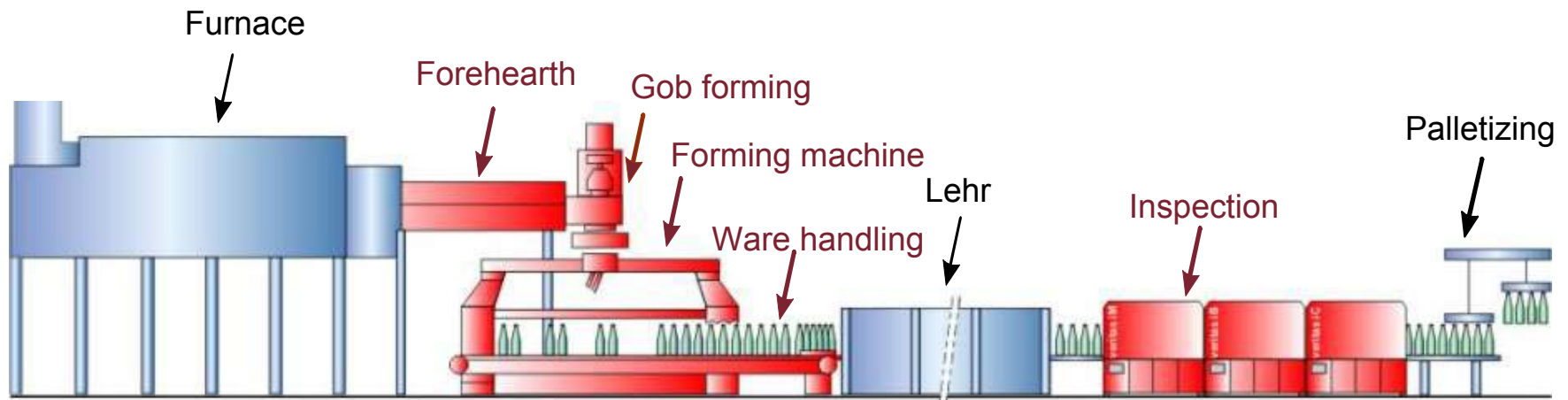
Forming machine



Ware handling



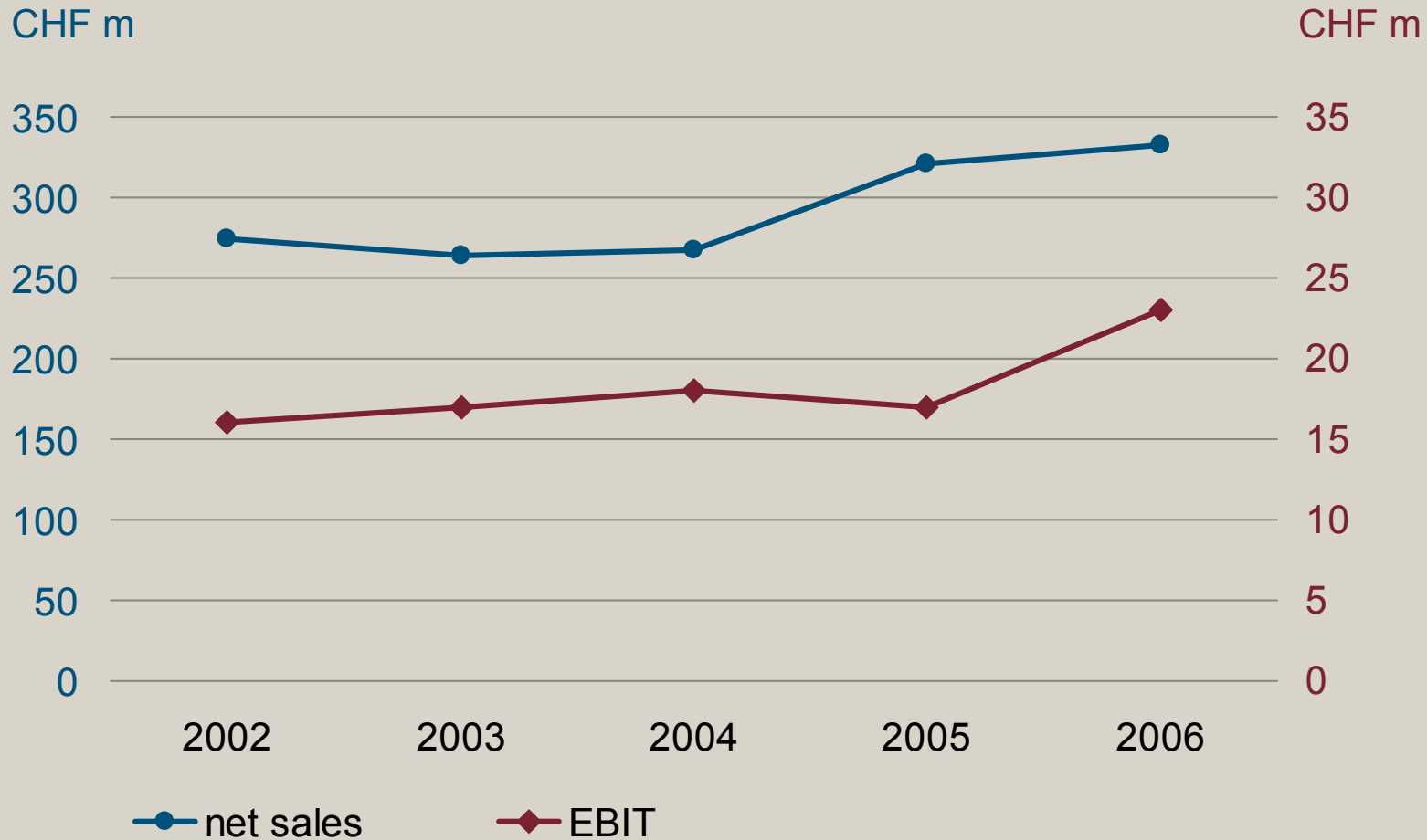
Inspection



Glass container manufacturing process

# Emhart Glass

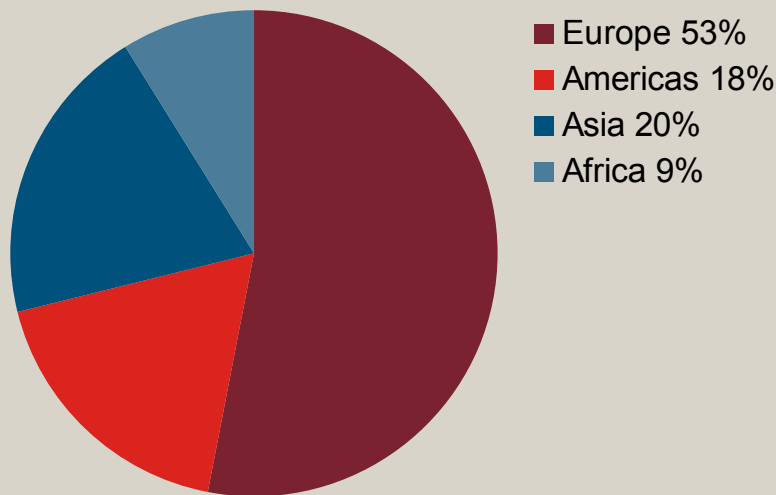
## Net sales and EBIT



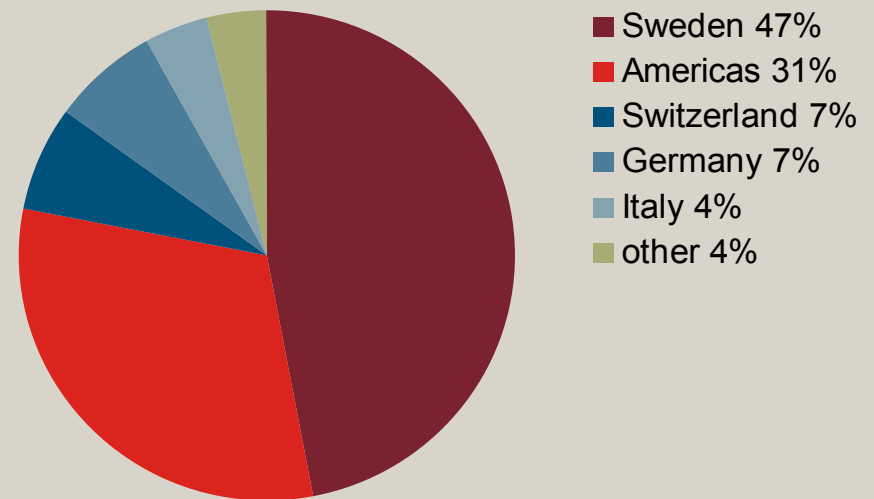
# Emhart Glass

## Net sales by and number of employees 2006

Net sales  
CHF 332 m



Number of employees  
847 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), Heye International (DE), Bottero (IT), BDF (IT), Sklostroj (CZ) in glass forming machinery; Saint Gobain Cinematique (FR), MSC (FR) in inspection systems

# Emhart Glass

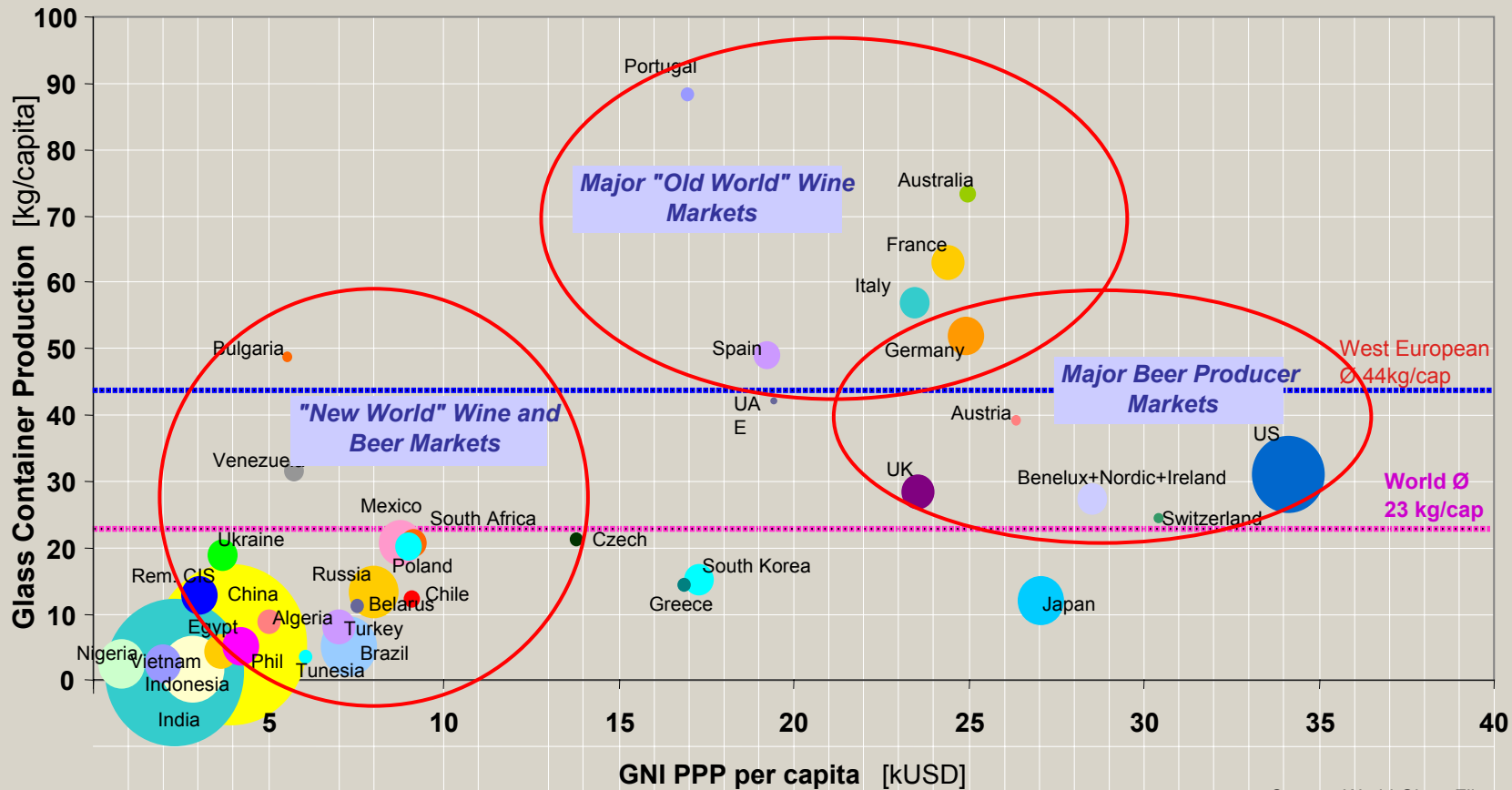
## Worldwide leading manufacturer

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

# Emhart Glass

## Glass consumption per capita

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



Source: World Glass File, various

## Emhart Glass Highlights in 2006

- Sales up on the prior year dominated by large orders
- Broad-based, strong demand for high quality glass containers
- Order intake up 12% on the high prior-year level
- All product groups enjoying a positive trend
- German production facility rescaled as a sales and service organisation; manufacturing concentrated in Sweden and USA
- Operating result up 40% despite CHF 5 million in restructuring costs in Germany
- Rise to be the largest manufacturer of inspection systems through acquisition of ICS/Inex, FL, USA

# 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
  - Commissioning at the end of Q3 2007

# Emhart Glass

## Outlook for 2007

- Good market trend expected to continue
  - Demand increasing at a high level in Europe and USA
  - High growth in Eastern Europe (incl. Russia), Middle East and South America
  - Stable business in components and spare parts
- Positive momentum from business combination with ICS/Inex
- Growing market share in the medium-price segment in response to revised product mix
- Significantly higher sales and operating result
- Investment in R & D centre

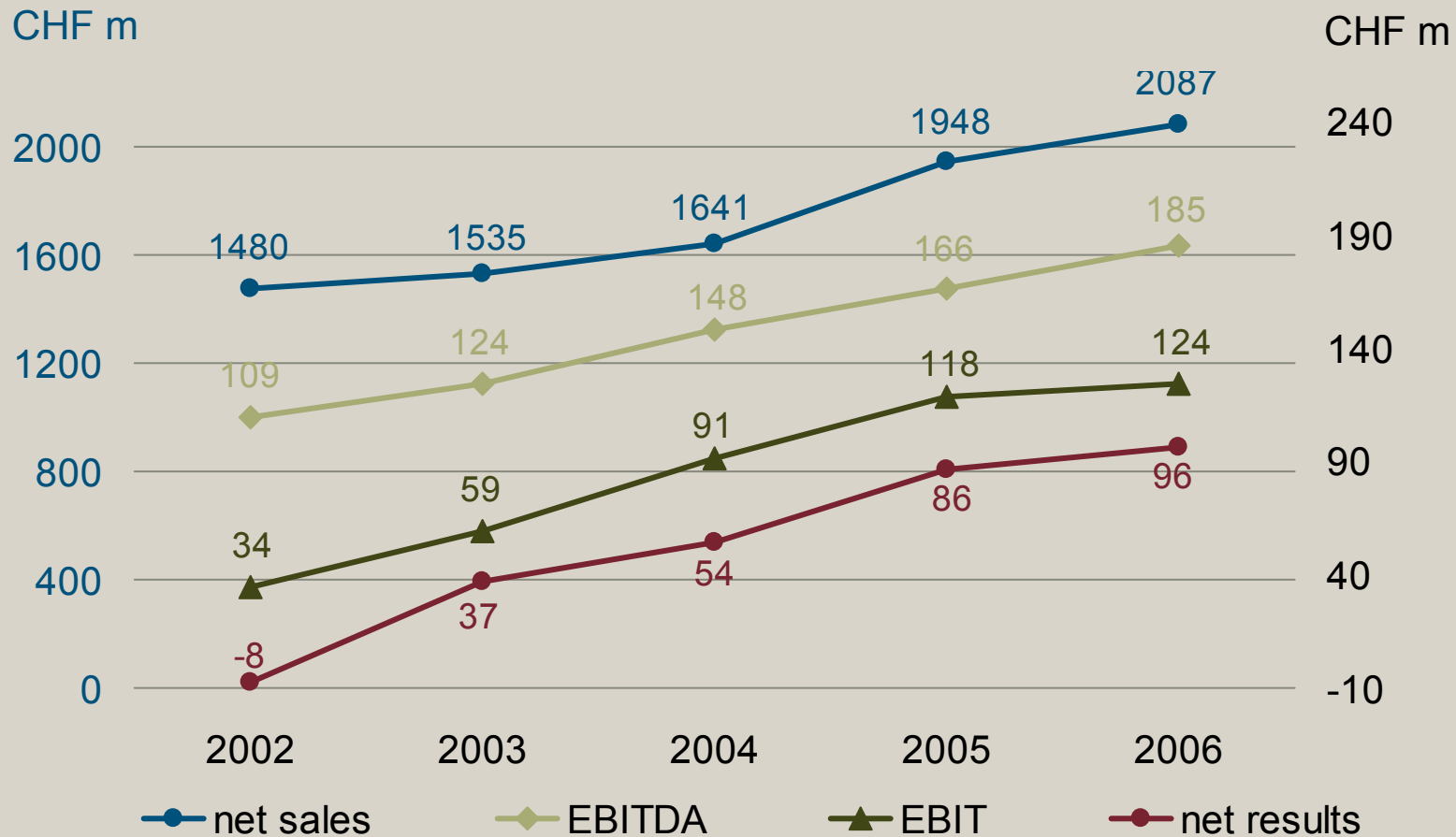
## Medium-term Group strategy

- Strengthening the existing five divisions to achieve Group targets on a sustainable basis
- Concentrating on improving operational efficiency
  - RONOA after tax as the most important financial indicator
  - EBIT margin as the key indicator of operating performance
- Specific divisional challenges
  - Kuhn Group and Bucher Hydraulics to pursue growth strategy
  - Bucher Municipal to implement cost leadership strategy
  - Emhart Glass to pursue innovation strategy and enter medium-price segment
  - Bucher Process to enhance profitability by focusing on wine making and fruit juice processing equipment as well as sludge dewatering
- Maintaining a solid balance sheet and liquidity

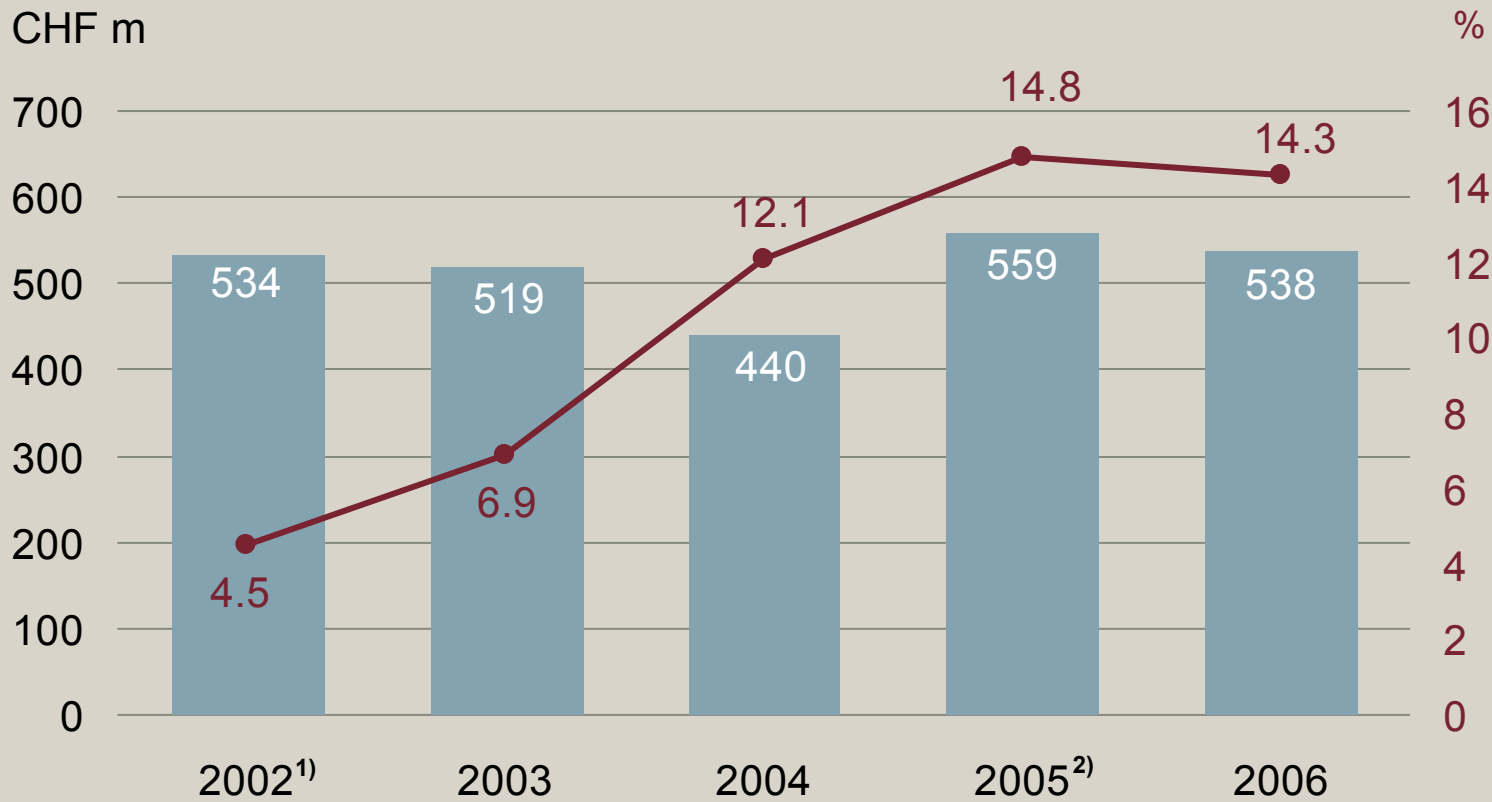
## Group outlook for 2007

- Favourable economic environment continuing in the markets
- Impact of the strong Euro compensating for the weak US dollar
- Capital expenditure increasing by CHF 50 million to approx. CHF 110 million for the projects in Kuhn Group, Bucher Hydraulics and Emhart Glass
- EBIT margin approaching the Group target of 8%
- Realisation of securities to support the financial result
- Repayment of CHF 100 million bond on 14 September 2007
- Bucher Industries expects continued growth in sales and substantially better operating and net results

# Net sales and results



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



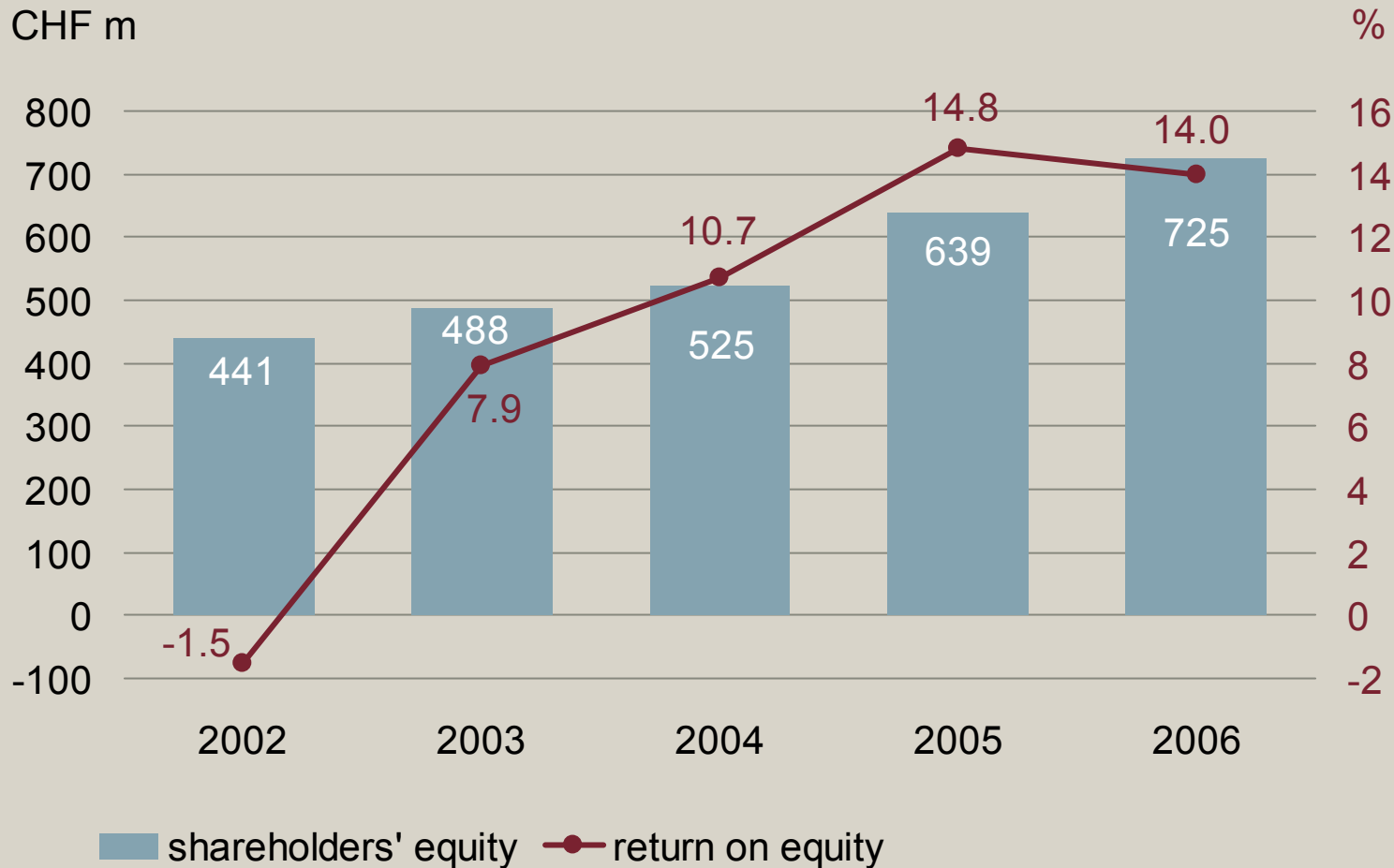
net operating assets

return on net operating assets

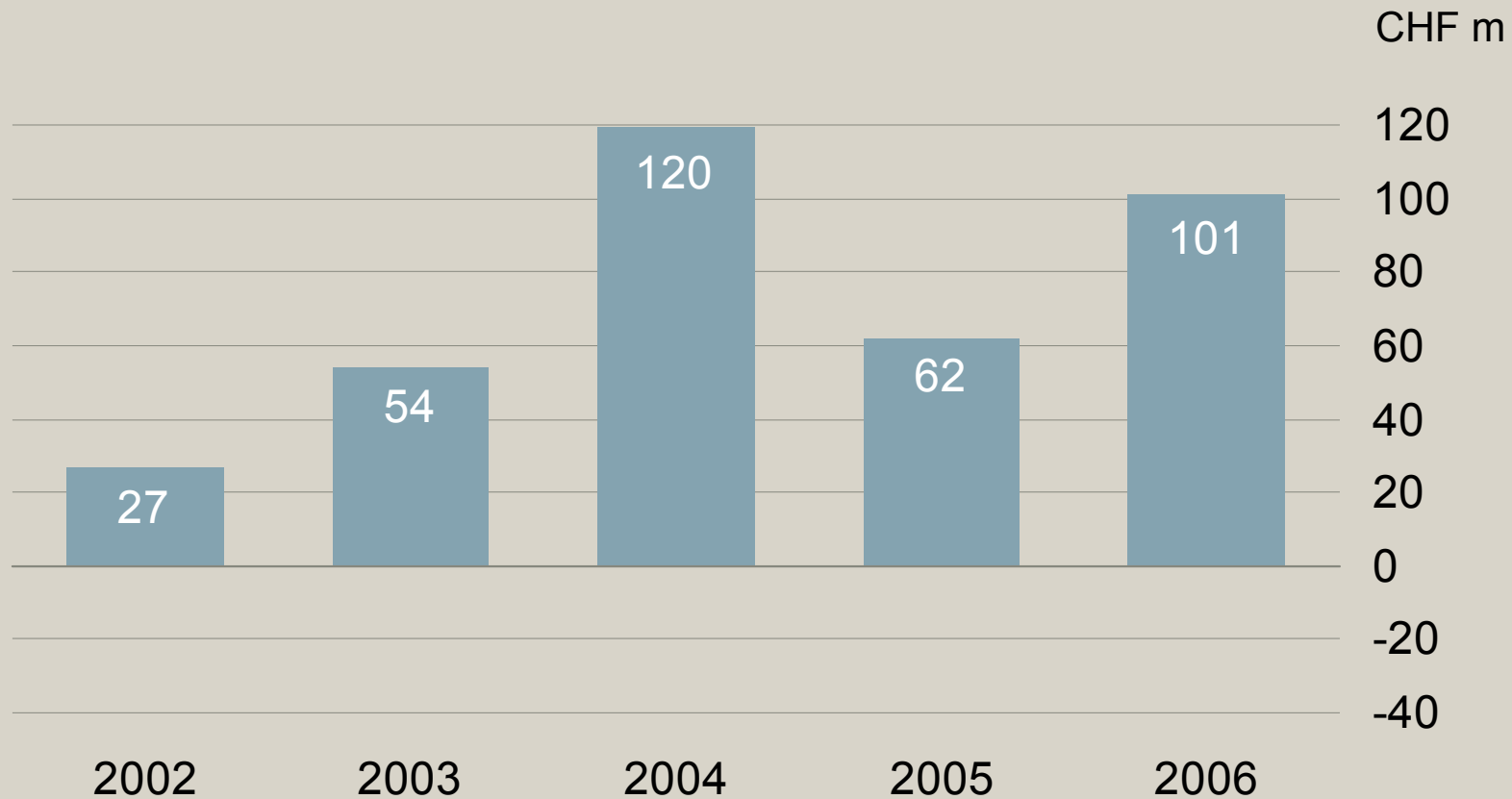
1) with standard tax rate 35%

2) thereof acquisitions CHF 83 million

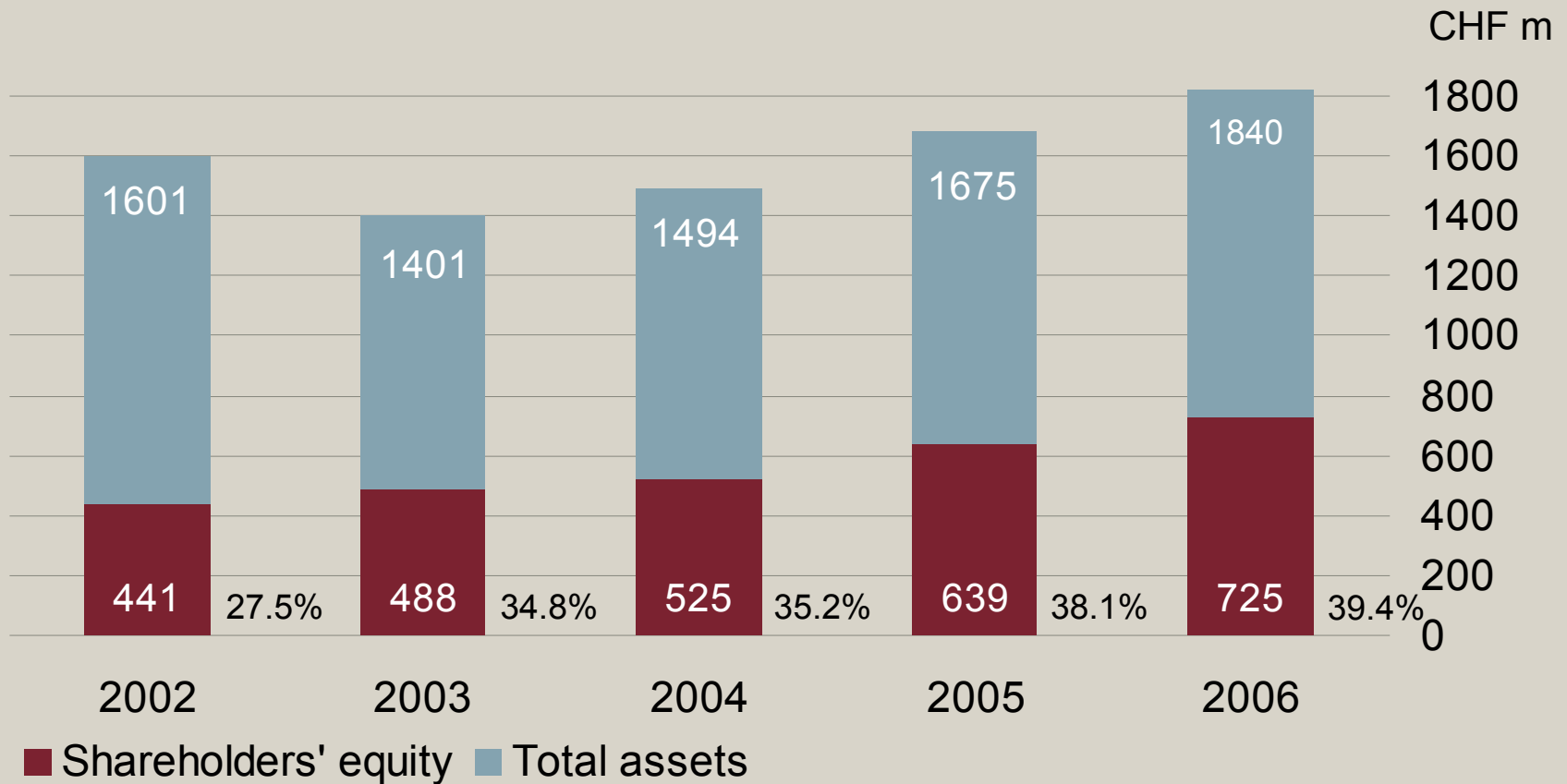
# Shareholders' equity and return on equity (ROE)



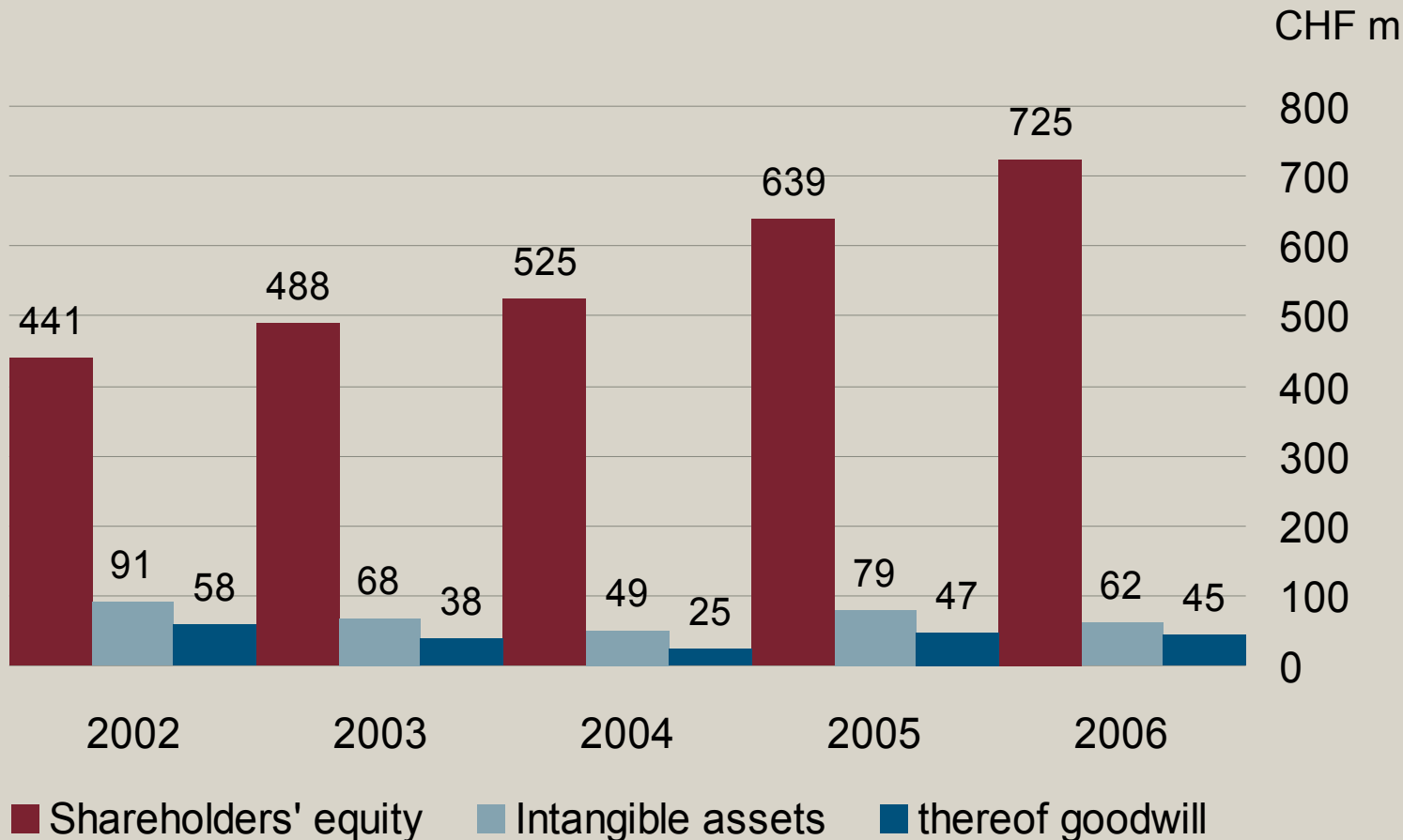
## Operating free cash flow



## Shareholders' equity and total assets



## Shareholders' equity / Intangible assets



# Net liquidity and free cash flow



# Shareholders' equity and market capitalization

