FESTO

Dr. Ing. Gian Paolo Arosio

General Manager Festo Italy

FESTO

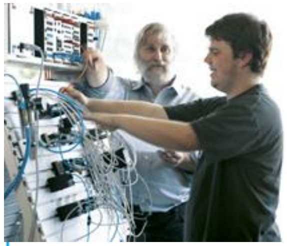
Think global, act local

- Automation and Didactic
- Factory and process automation
- 300.000 customers in over 200 sectors
- 13.500 employees
- Sustainable education and training

People: our no. 1 success factor

Corporate Mission

We want to be the best company and the global leader in automation with pneumatics as well as electric drives – the No. 1 partner for our customers with the highest problem-solving competency.



Sustainable commitment ...

... to people ...

... and technology

FESTO

Festo facts

- Sales (2008) 1,7 billion Euros
- 13.500 employees in 176 countries
- Around 30.000 catalogue products
- 2.800 patents world-wide
- R&D budget 9 of sales
- Training budget 1,5% of sales

Innovations worldwide – patented

Quality worldwide – certified

Over 23.000 products worldwide – documented

FESTO

Innovation excellence

- Sustainable innovation management
- Over 20 Technology Engineering Centers world-wide
- Around 100 new products every year

Skilled enhancement of electromagnetic compatibility

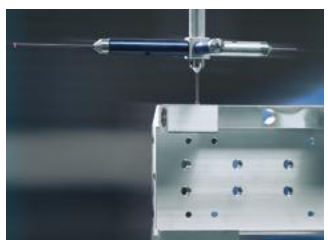
Innovation down to the last detail

Pure innovation: virtual reality

Production on demand

- 10 Global Production Centres
- 26 National Service Centres
  with customer-specific production
- Our own cutting-edge manufacturing processes

Quality monitoring

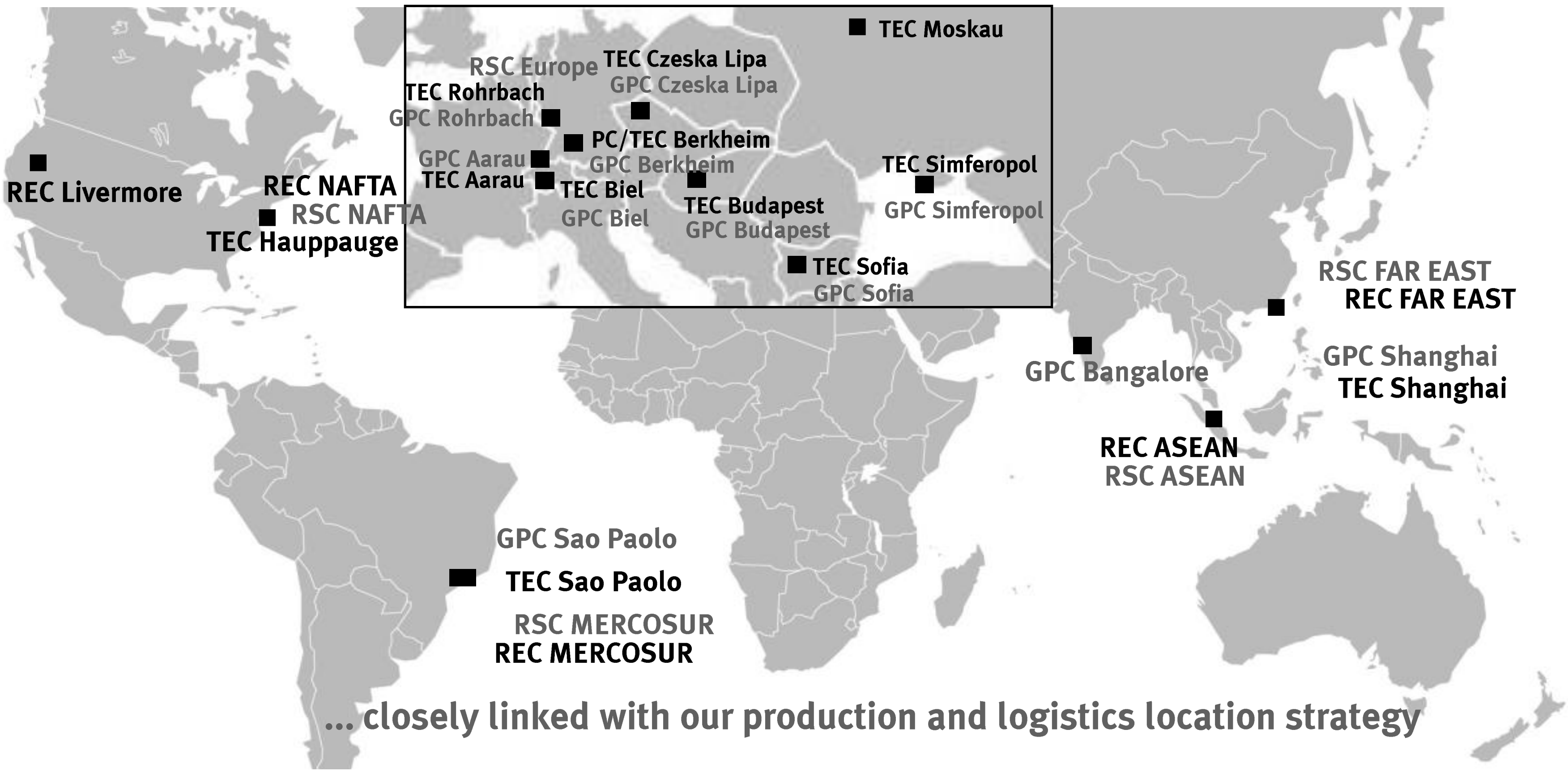


Quality down to the last detail

Pure flexibility:
production on demand

Global network for development, production and logistics

Location strategy of our innovation network with 21 R&D sites...



... closely linked with our production and logistics location strategy

FESTO

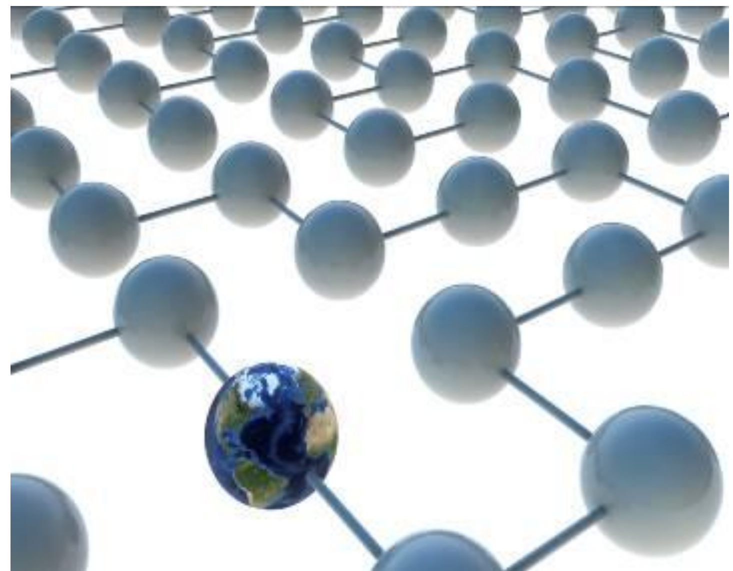
Festo Italy

- Automation since 1956
- Didactic since 1969
- Factory and Process Automation
- 3.000 customers
- 201 people
- Continue Training & Learning
- 102 Mio€ total turnover in 2008
- Certified ISO 9001:2000

People: our no. 1 success factor

Festo CTE - Consulting Training Education

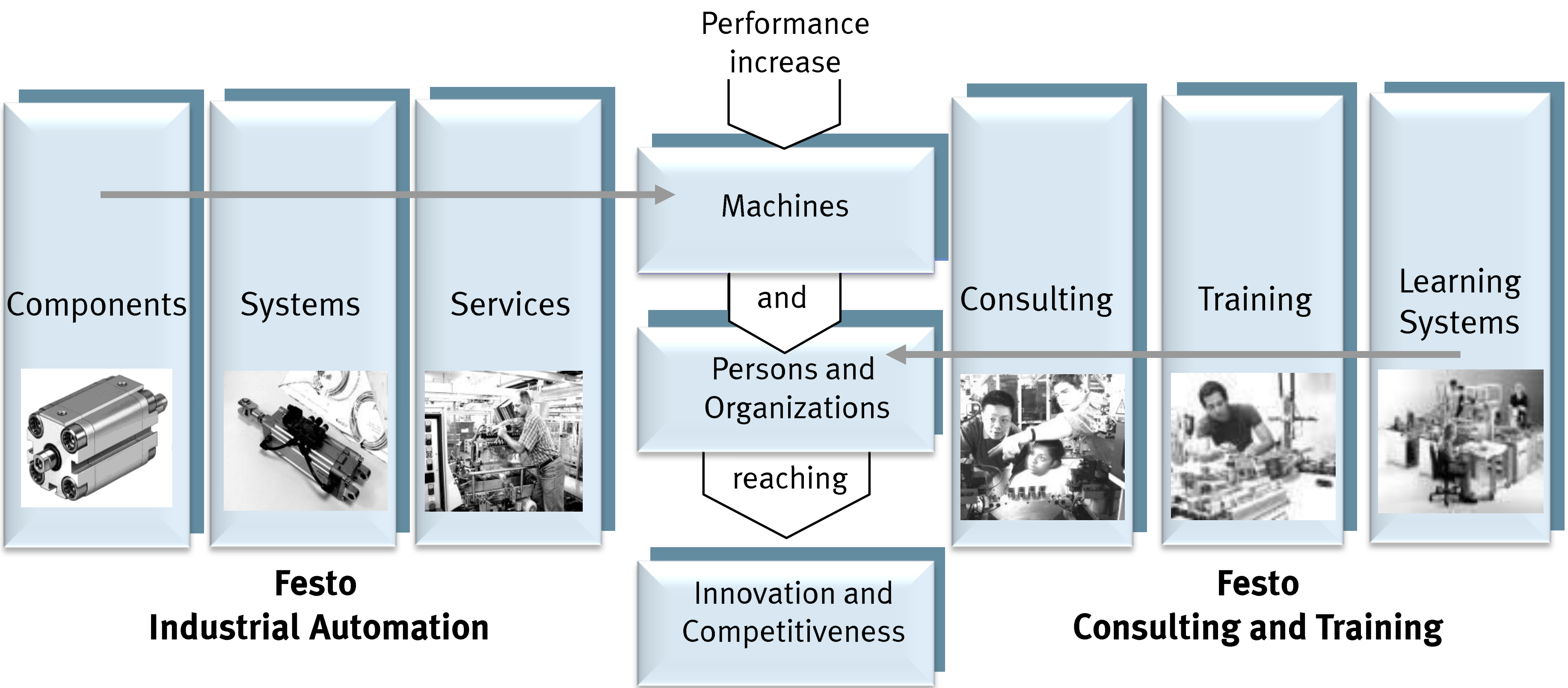
- Organization and business consulting
- Industrial Management School
- Learning methods and systems
- 70 consultants, turnover 2008 9,7 Mio€



200 multi-clients seminars and masters organized every year by the Industrial Management School

350 training and consulting projects on-the-job every year

FESTO

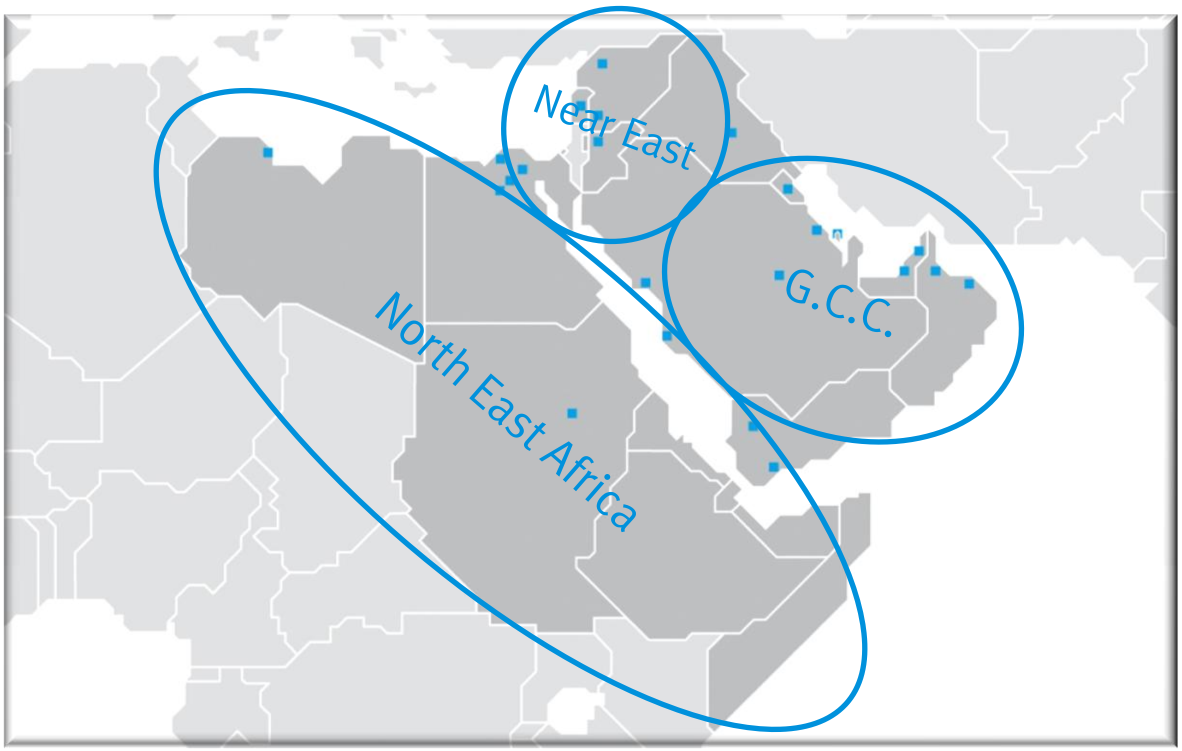

Performance increase
Machines
and
Persons and Organizations
reaching
Innovation and Competitiveness
Components
Systems
Services
Consulting
Training
Learning Systems
Festo
Industrial Automation
Festo
Consulting and Training

FESTO

Festo Italy is responsible for MENA Middle East and North East Africa

1- North East Africa

Egypt
Sudan
Libya
Ethiopia
Somalia
Eritrea
Djibouti
Yemen



2- Near East

Syria
Lebanon
Jordan
Iraq
(Palestine)

3- The Gulf

U.A.E.
Kuwait
Qatar
Oman
Bahrain
Saudi Arabia

FESTO

Festo Dealers in Italy

Fratelli Bono

FORNITURE TECNICO INDUSTRIALI

FESTO

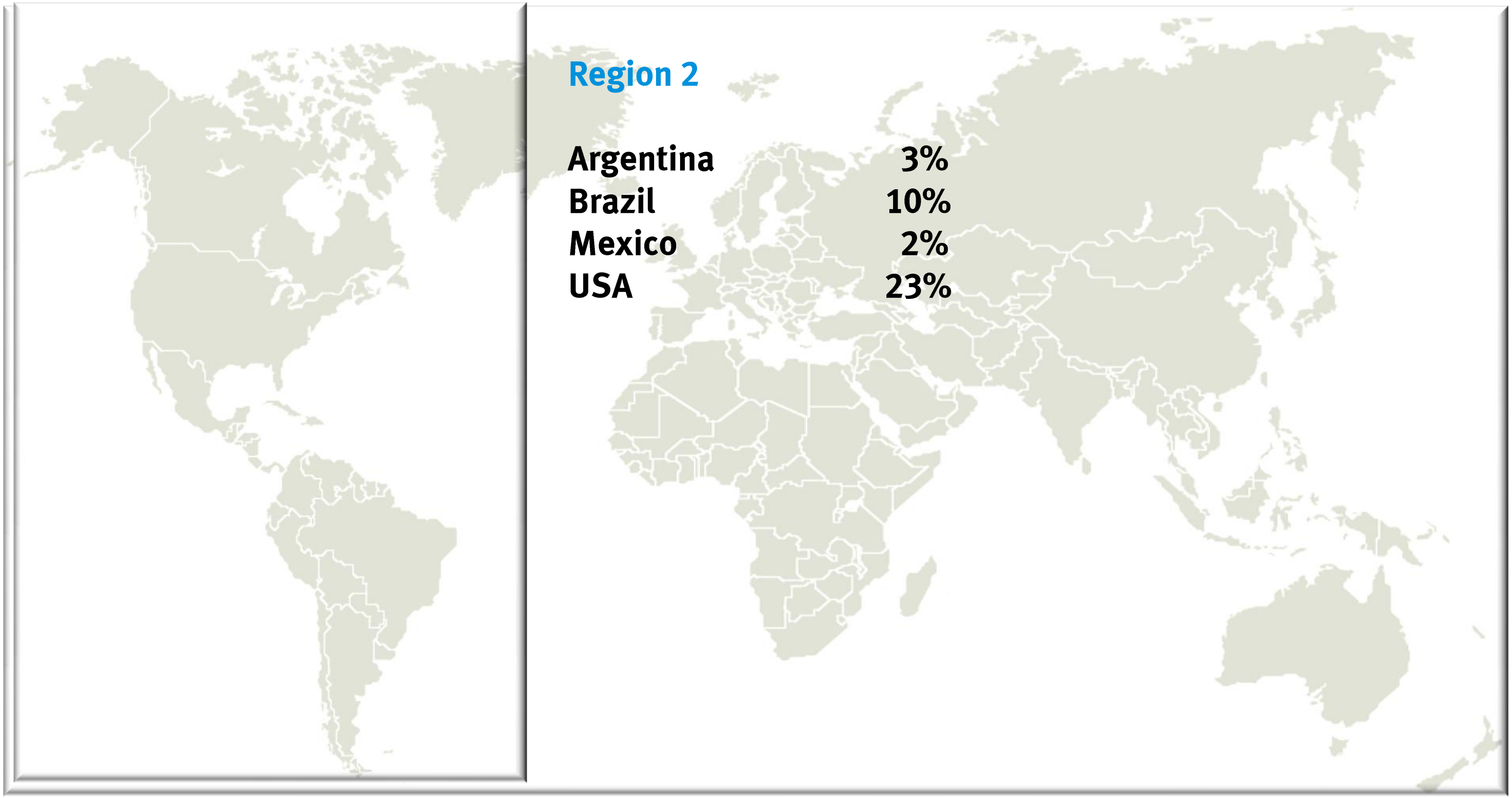
Share of Festo Turnover via Dealers

Region 1

Belgium	6%
France	9%
Germany	2%
Great Britain	36%
Italy	22%
Netherland	33%
Spain	20%
Sweden	9%
Turkey	11%

FESTO

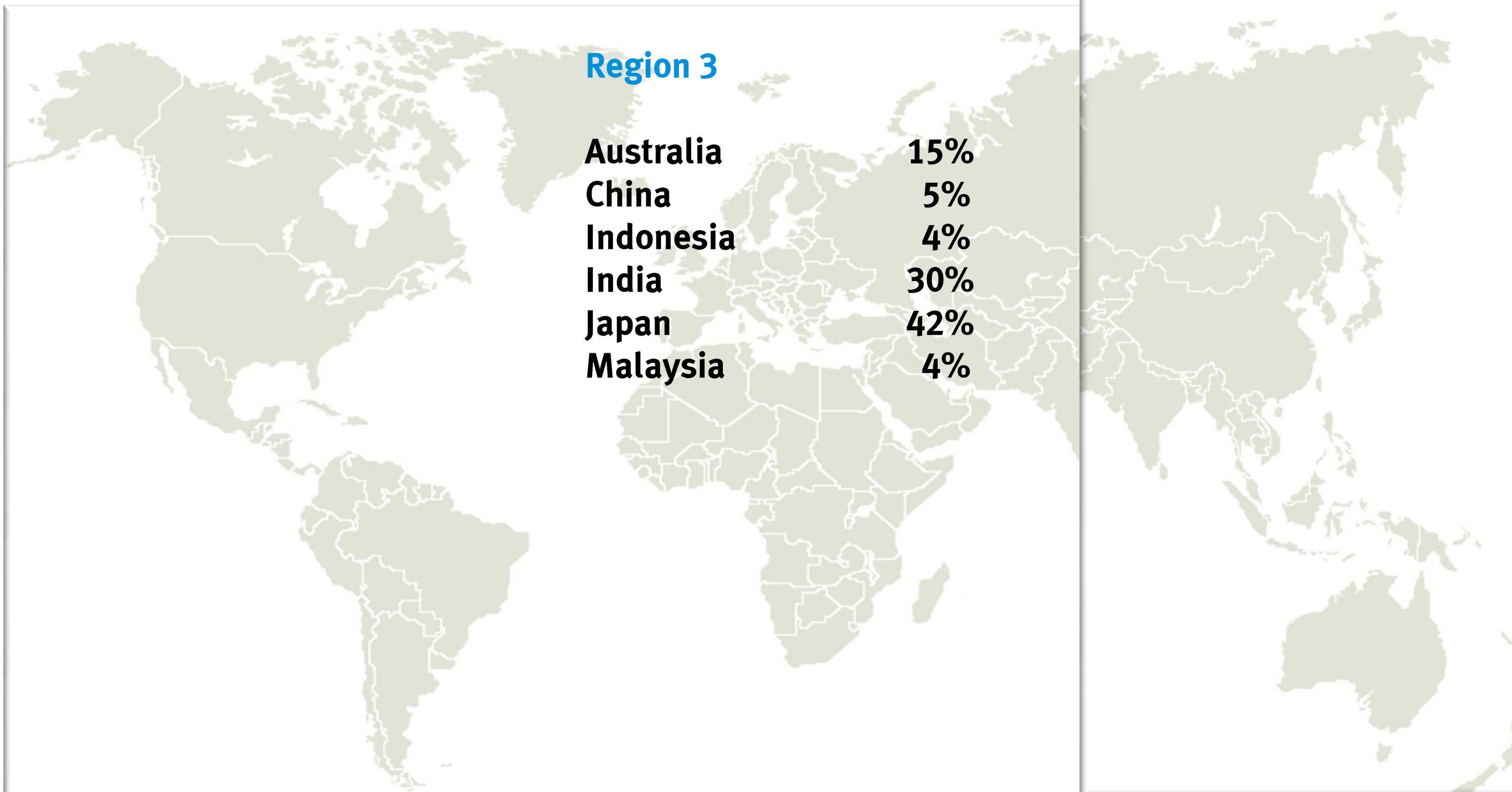
Share of Festo Turnover via Dealers



Region 2

Argentina	3%
Brazil	10%
Mexico	2%
USA	23%

Share of Festo Turnover via Dealers



Region 3

Australia	15%
China	5%
Indonesia	4%
India	30%
Japan	42%
Malaysia	4%

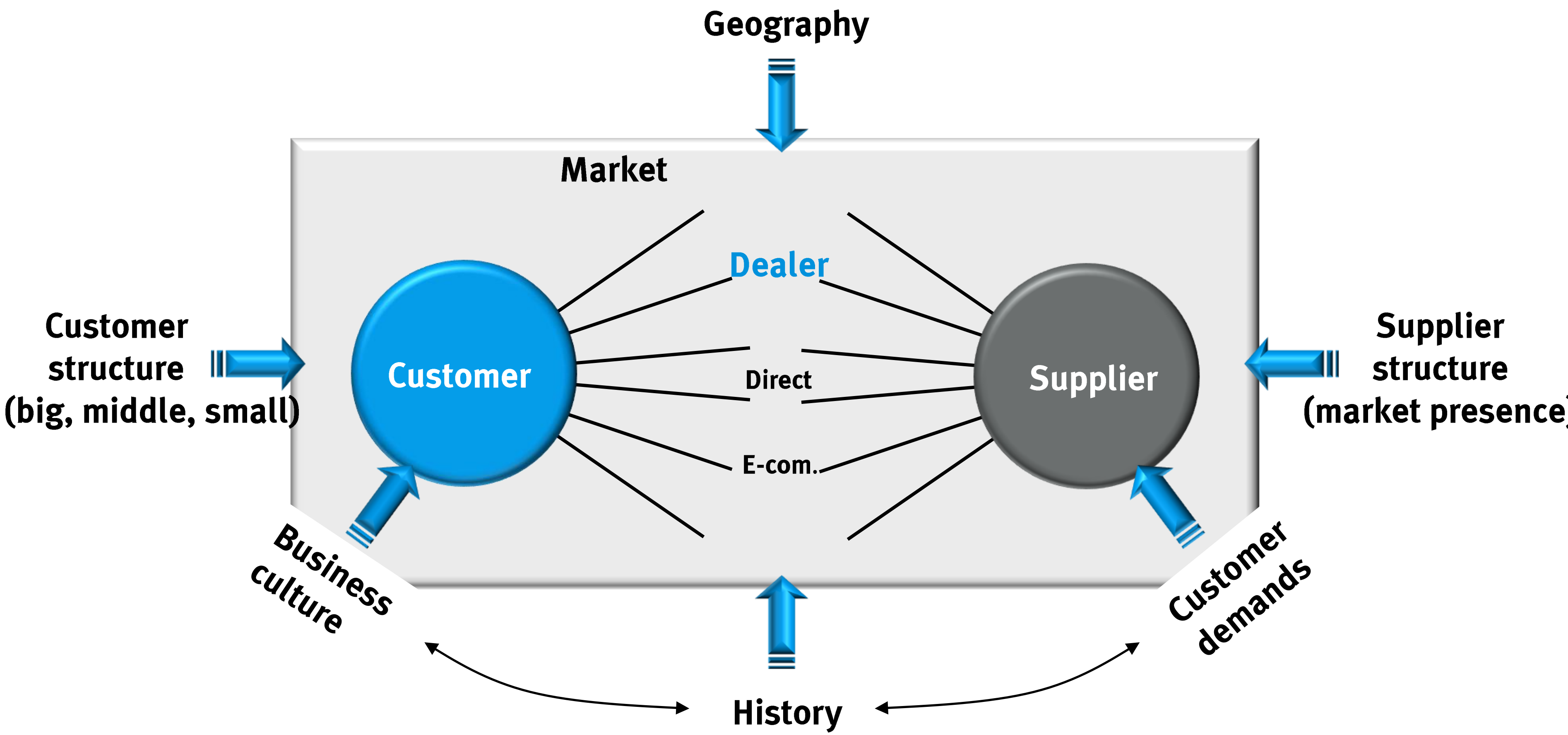
FESTO

Share of Festo Turnover via Dealers

Region 5

Bulgaria	6%
Croatia	6%
Hungary	11%
Poland	3%
Russia	7%
Slovenia	5%

Reasons for Sales Channels via Dealers

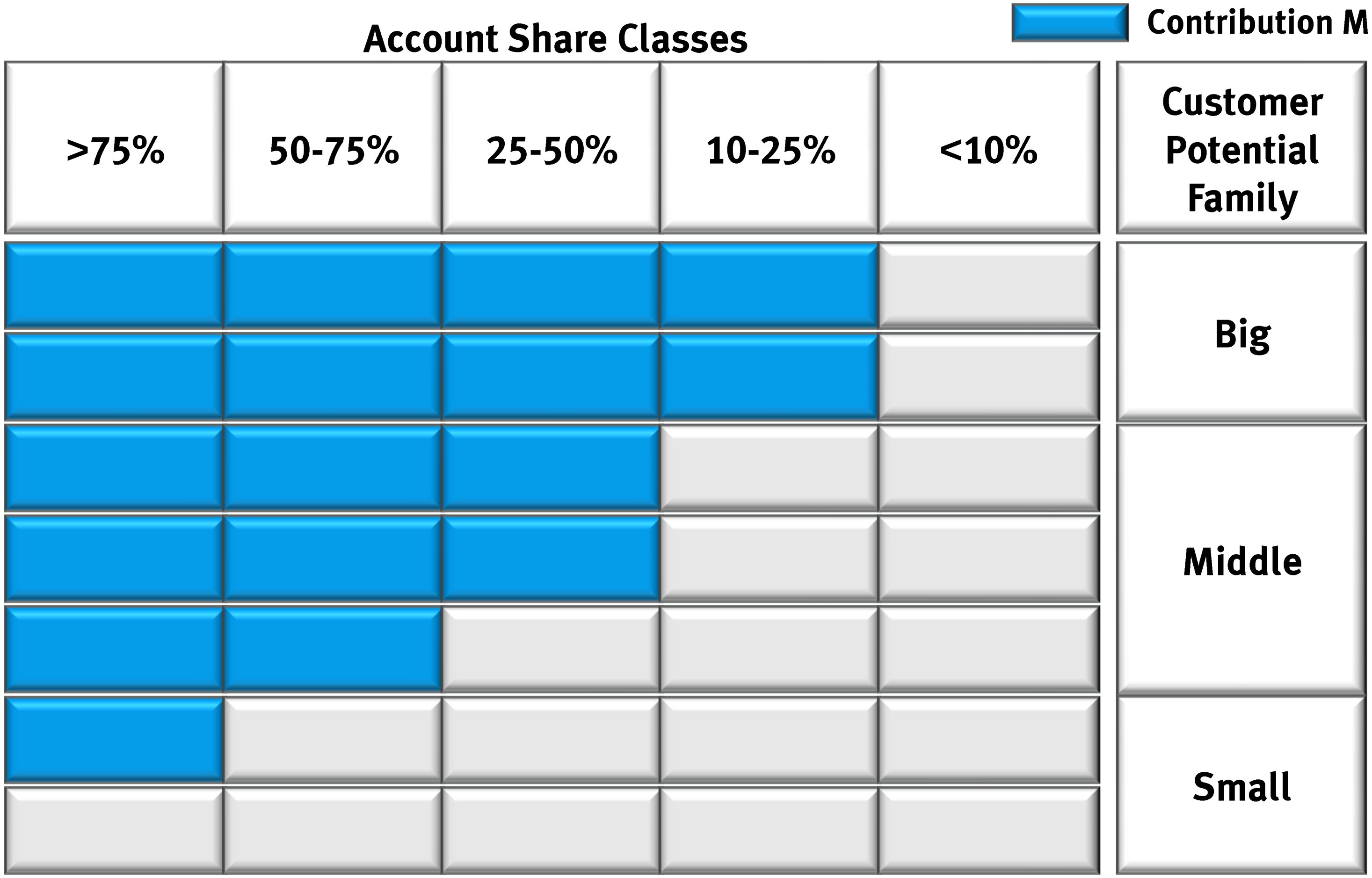


FESTO

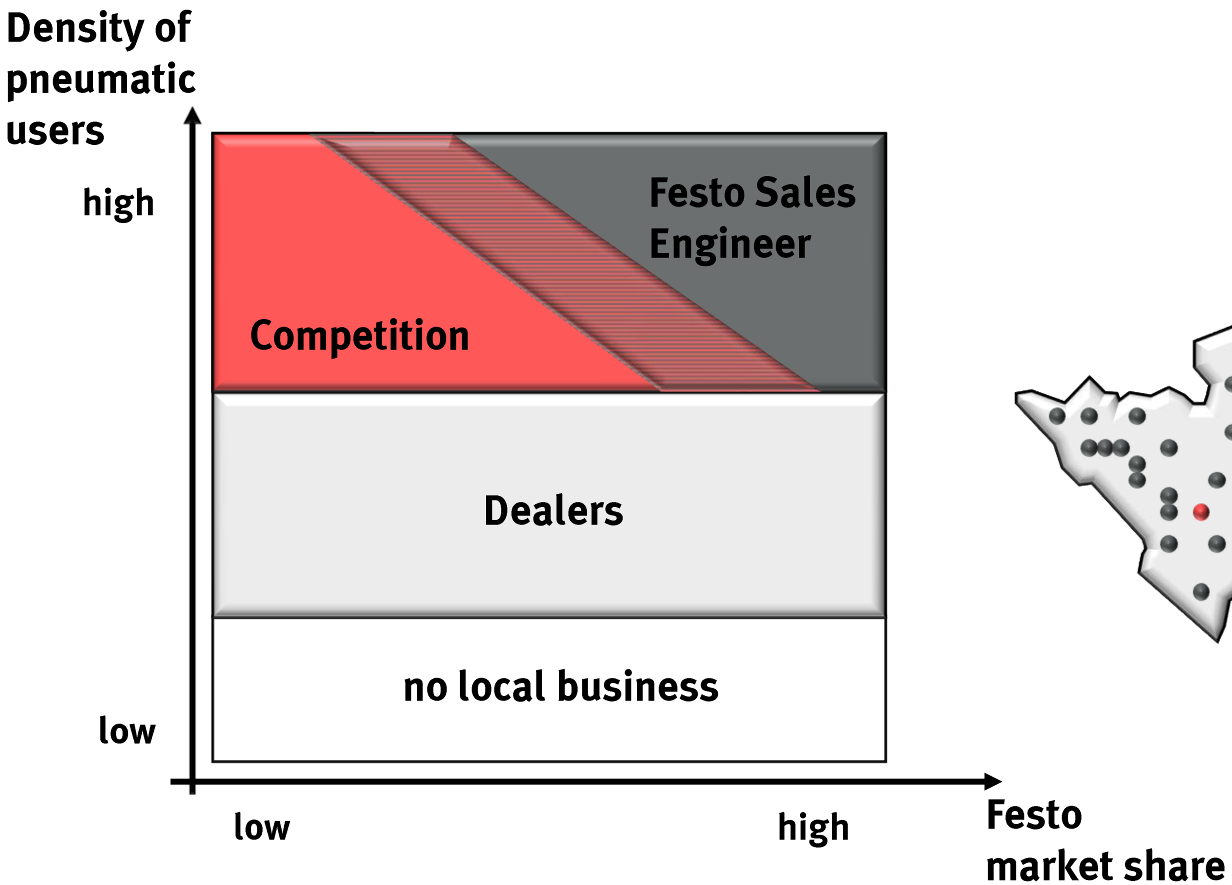
Profitability of Customer Segments

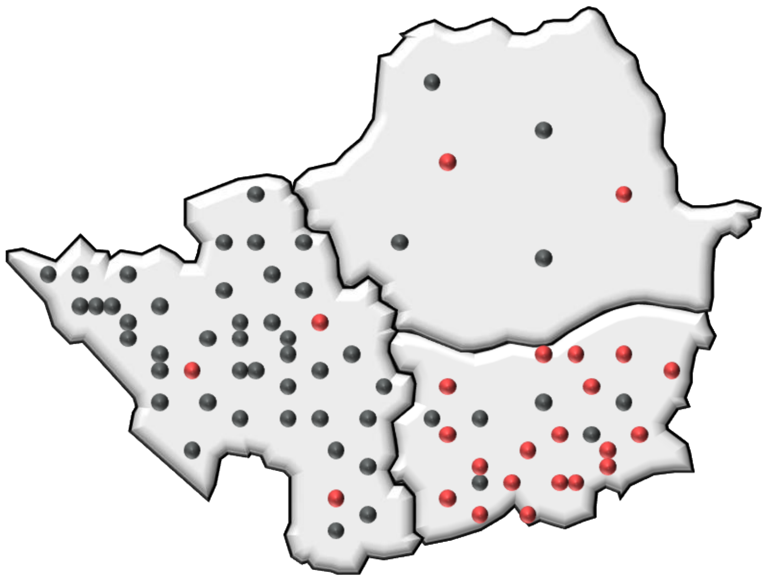
Contribution Margin insufficient

Contribution Margin good



Geographical Situation



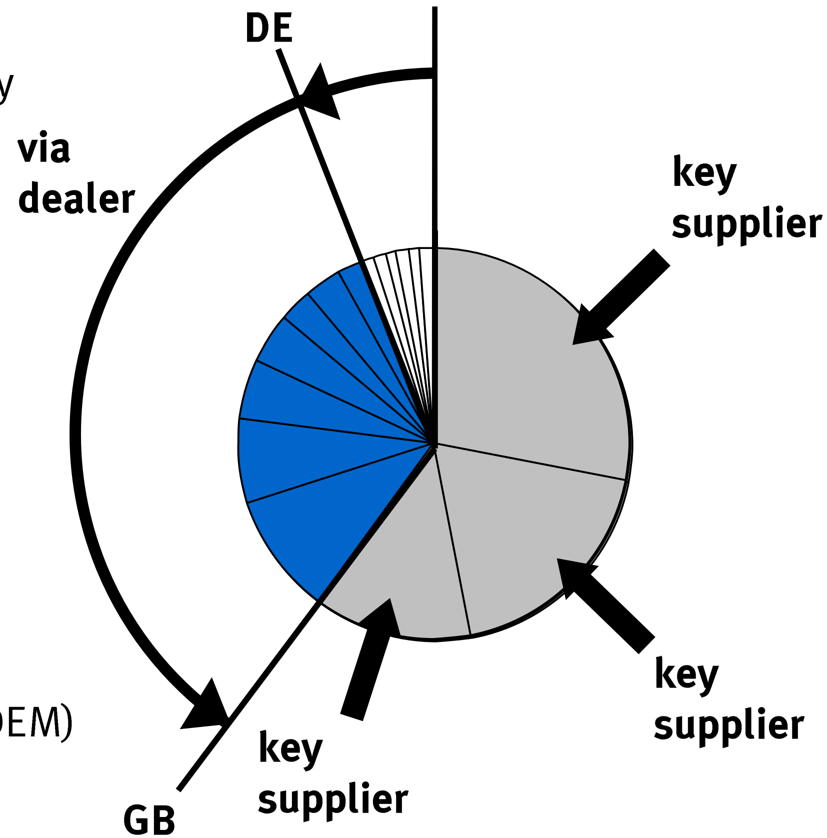


Business Culture

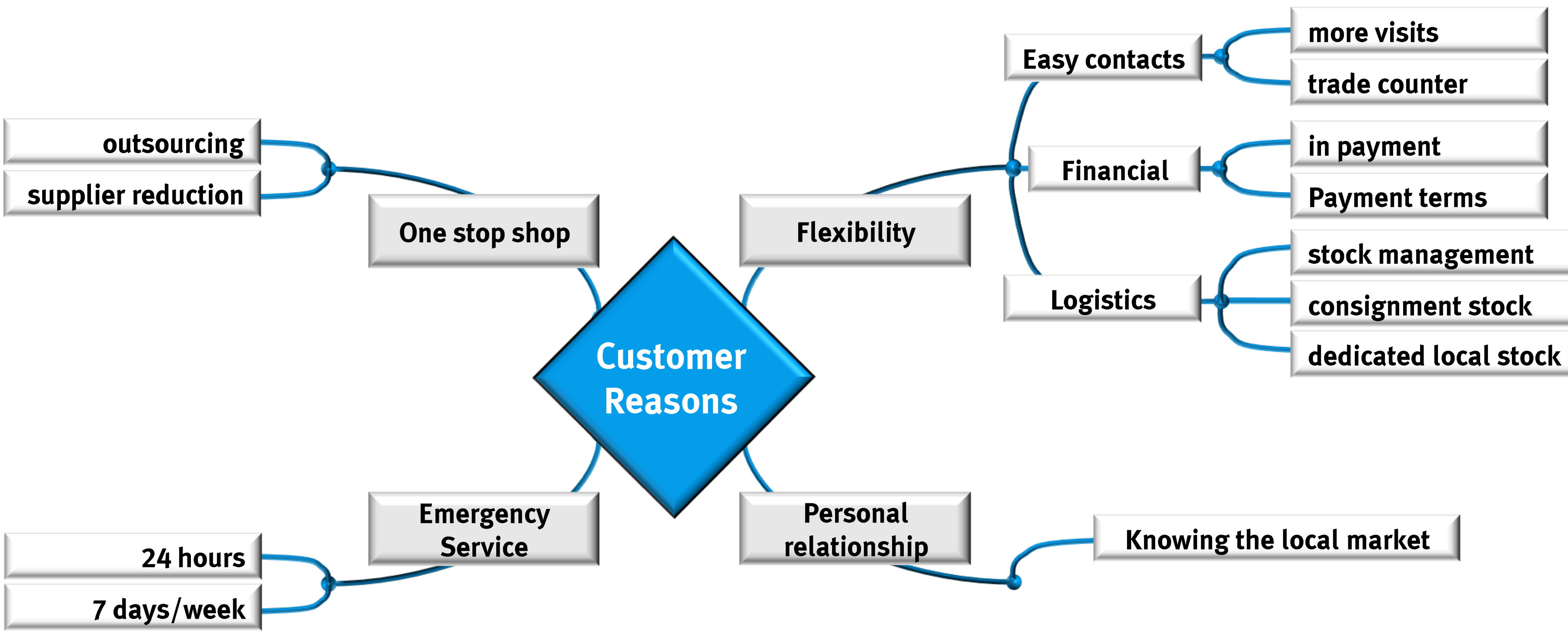
The purchasing volume of a company is supplied by key suppliers and dealers. The decision of using dealers depends on:

- the share of the particular need
- the cultural / market situation

Normally “production materials” (like pneumatics for OEM) are bought directly because of their high quantities.

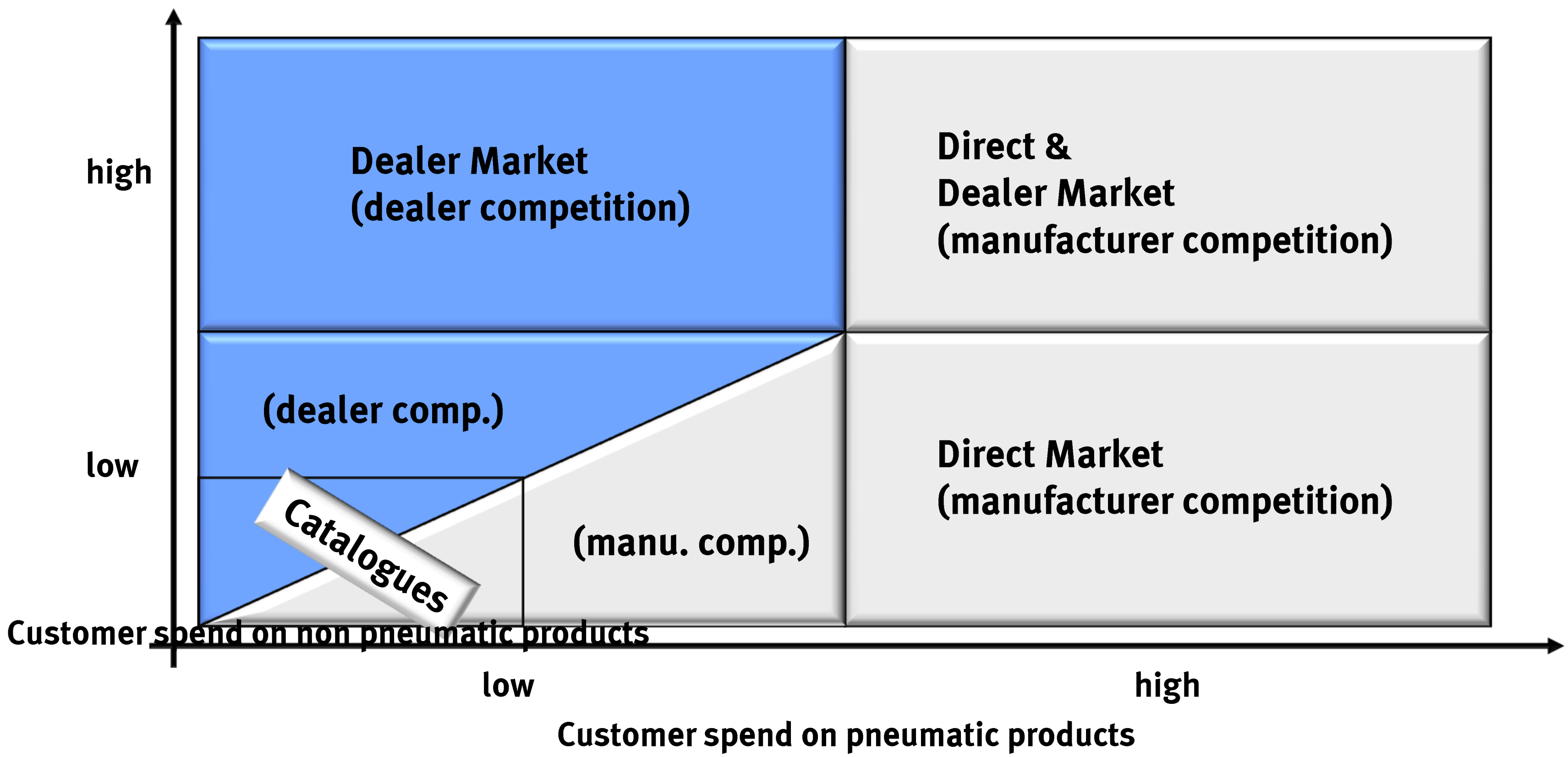


Reasons for Customers to buy via Dealers

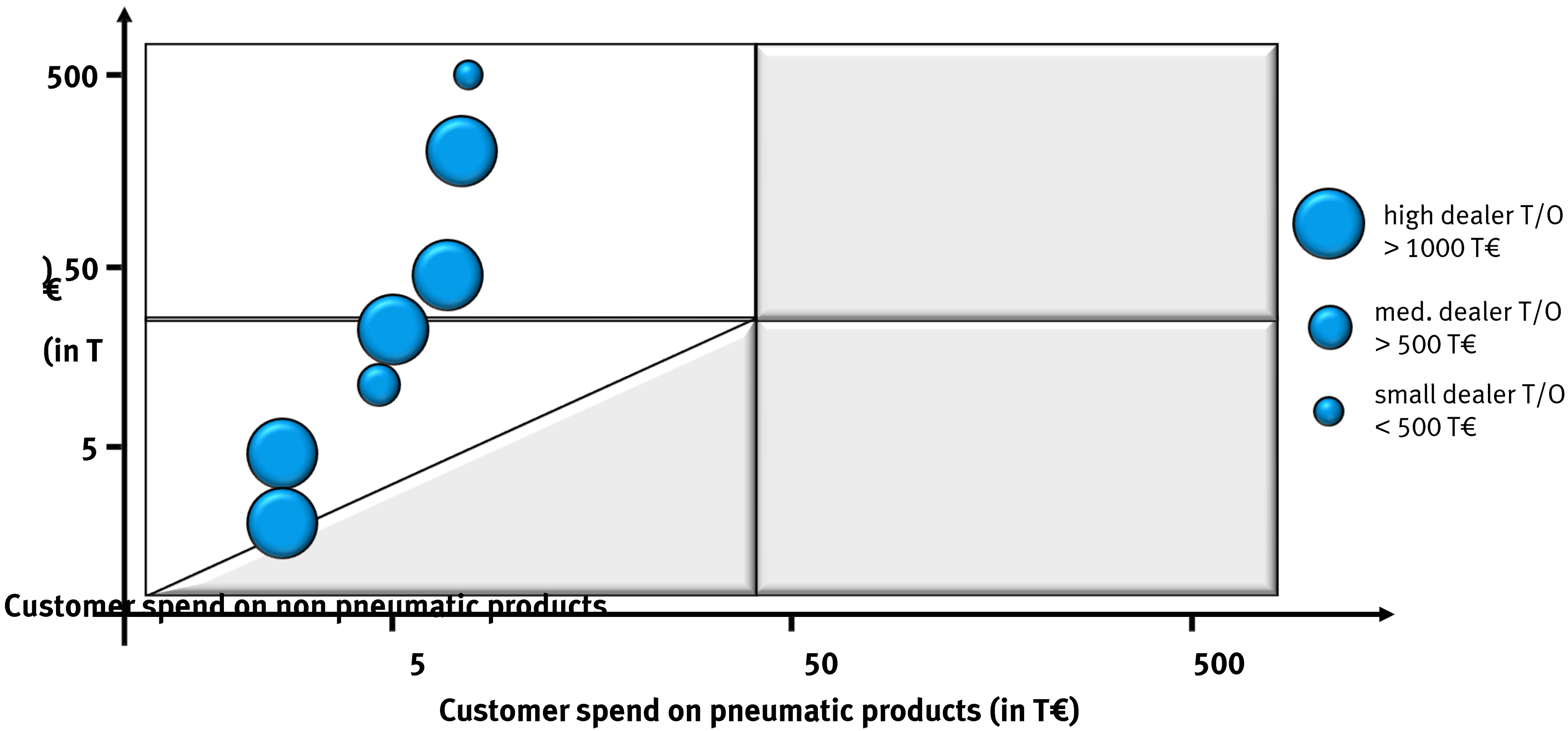


Notice: most important topic according to CSS 2000

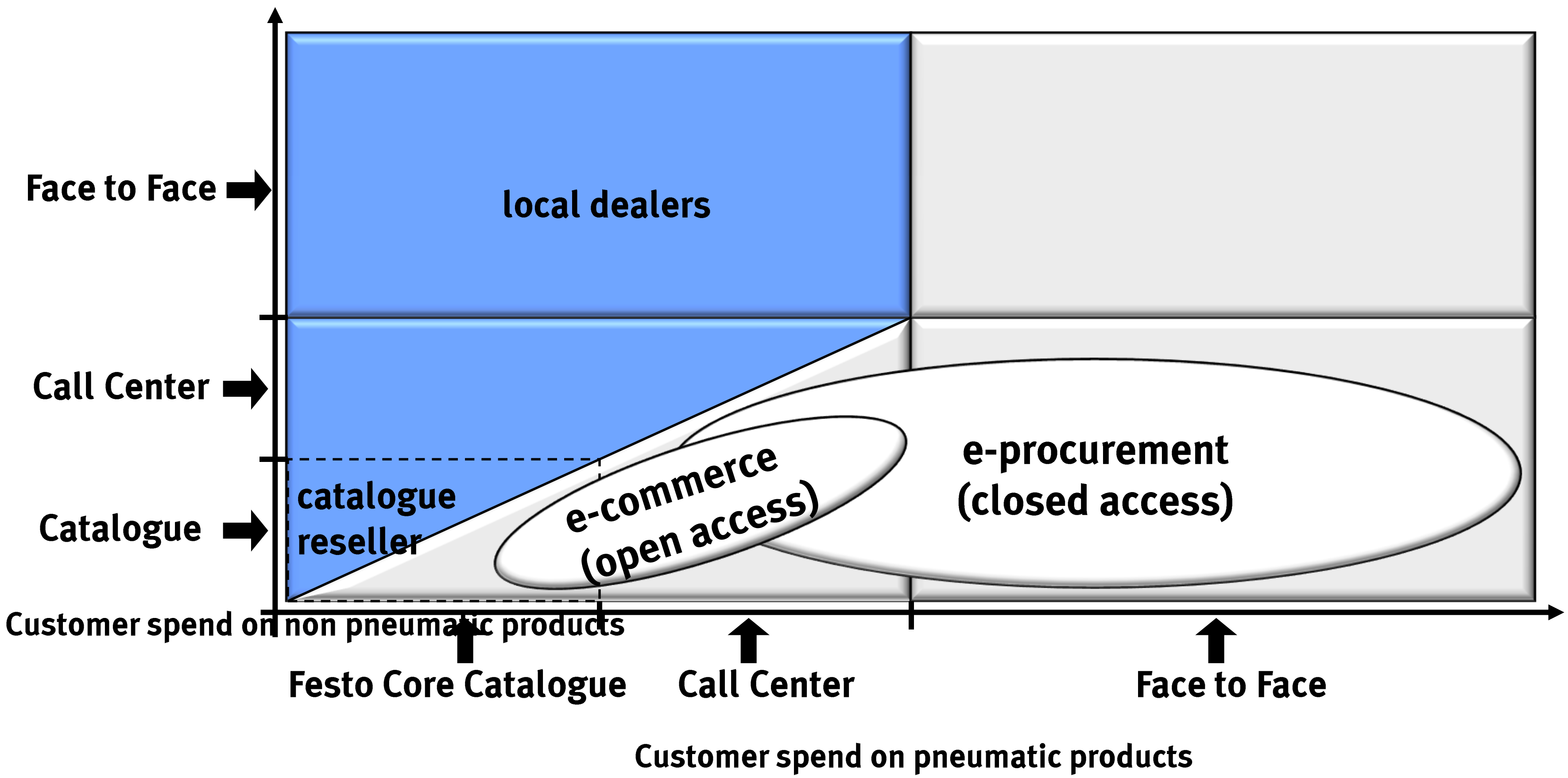
Markets of direct and indirect Sales Channels



Dealers Distribution in Europe

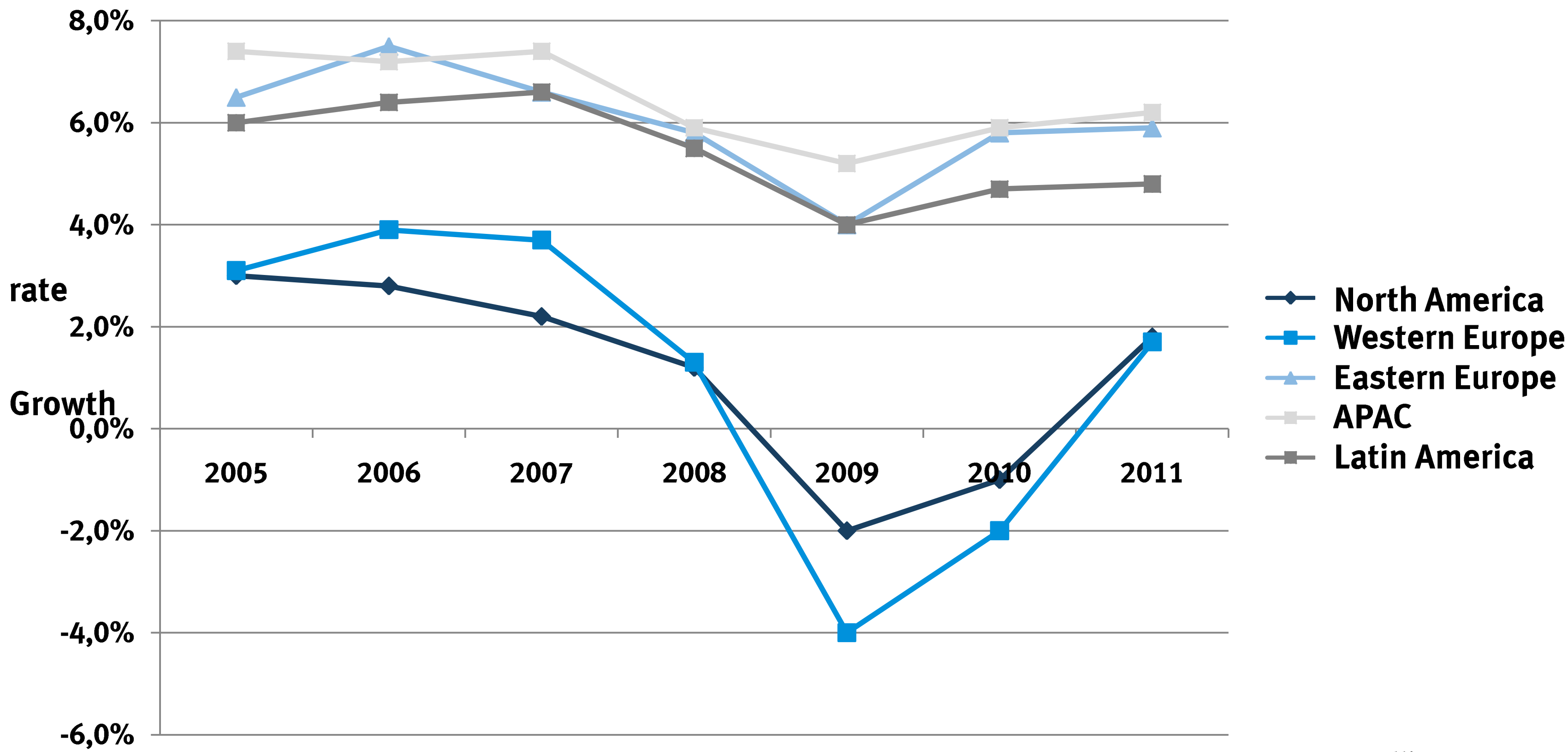


Market Treatment



What does the Downturn mean for Global Markets?

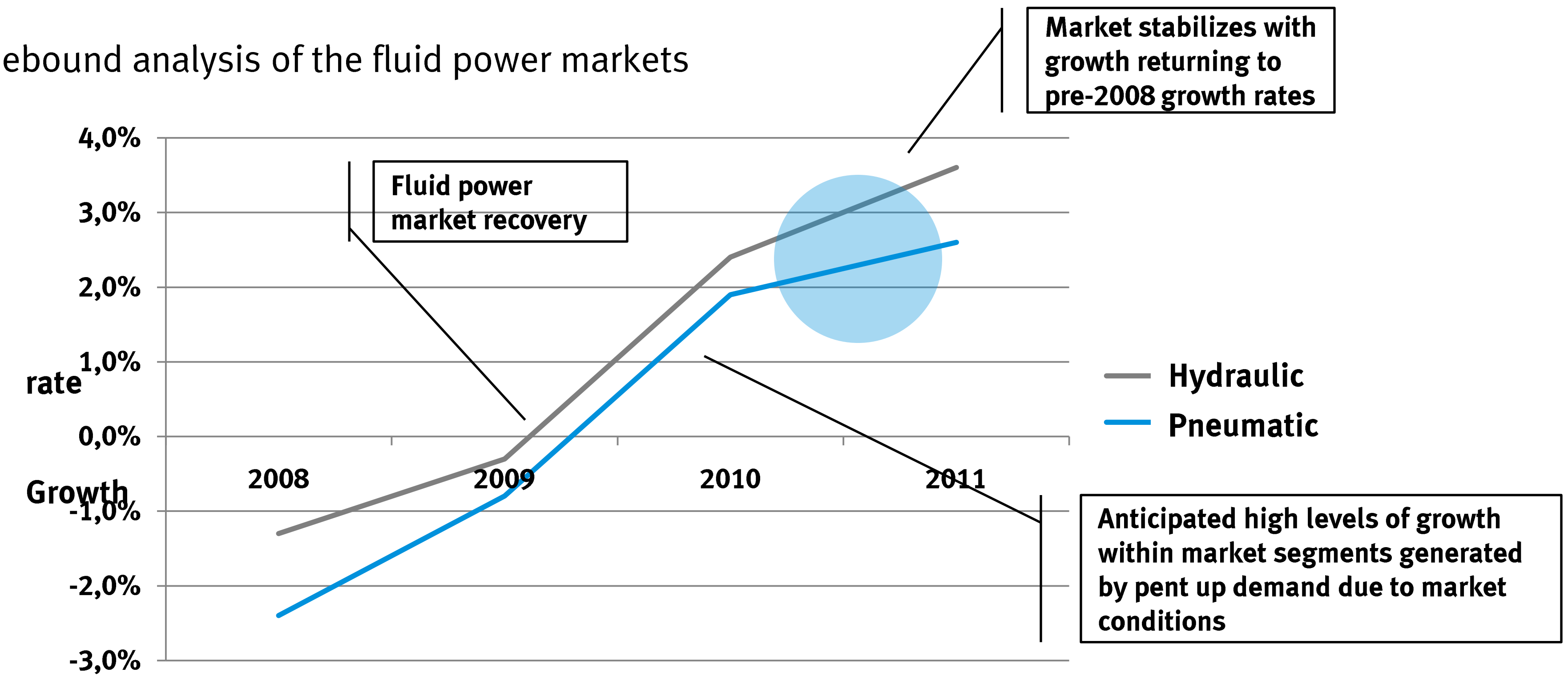
Real GDP Growth: annual percent change by geographic region (World) 2005-2011



Source: Frost & Sullivan & IMF Tracker

When will we see an Improvement?

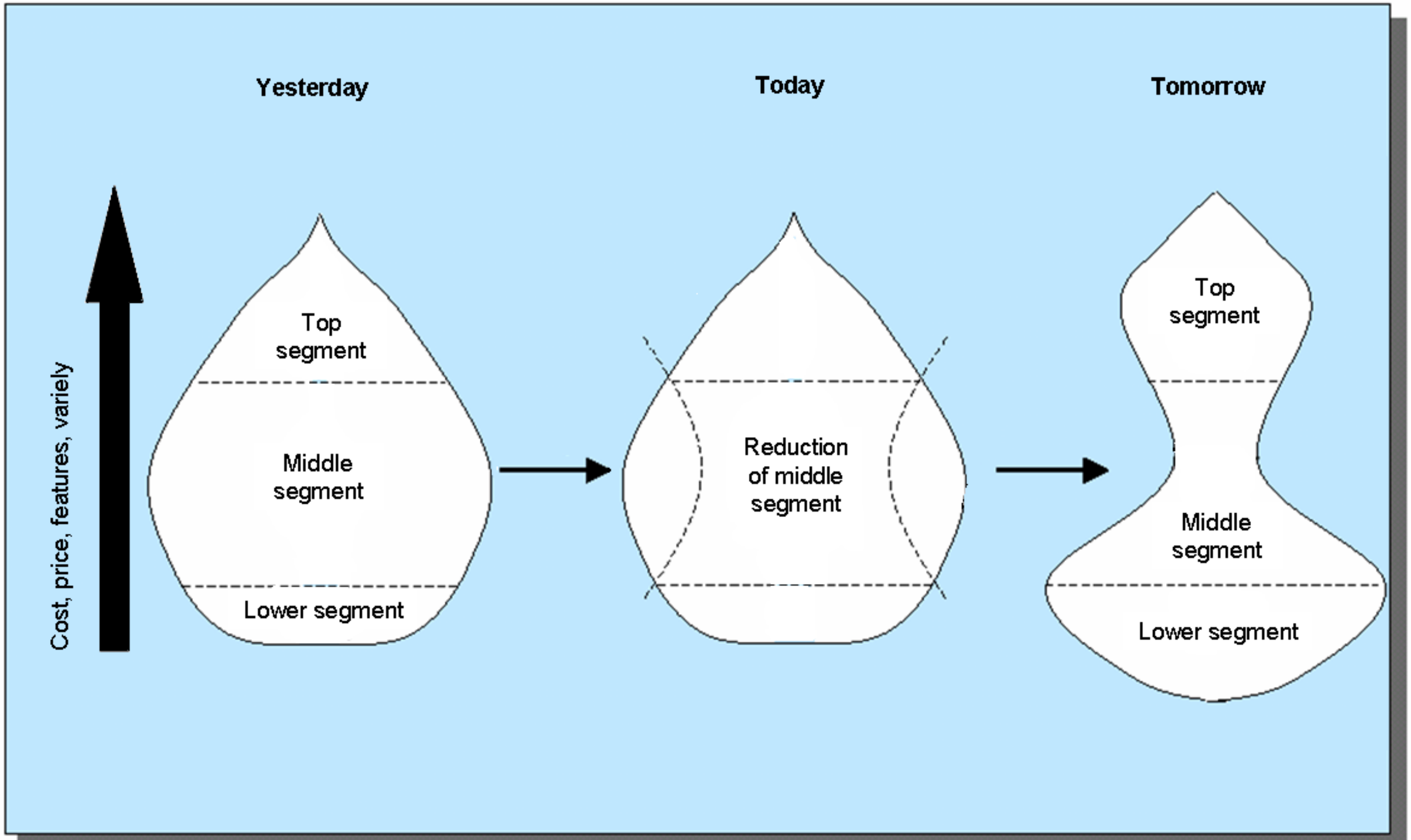
Rebound analysis of the fluid power markets



Fluid power markets will likely see increased demand sometime between Q4 2009 and Q1 2010.
Though the general economic recovery will be well on its way at that point, it is expected that many key end-user groups may delay new capital expenditures due to a fear of a false start to the recovery.

Source: Frost & Sullivan & IMF Tracker

The Market Trend



Source: *Becker* 1998, S. 359

FESTO

Lufthansa

Lufthansa Private Jet

Purchasing Trends in 5 years

- Supplier reduction
- Maintenance outsourcing
- Increase in International commodity supply management
- E-catalogues will be more important in the future for commodities

Dealers Market Trends in 5-10 years

- “Small customer” segment
- Same market as today
- A lot of small dealers will disappear: big dealers/mega dealers will grow

Thank you!

performance