

# SAME DEUTZ-FAHR (SDF)



*SDF is one of the world's leading manufacturers of tractors, engines, combine harvesters and other farm machines, sold under four well-renowned brands.*

## Global overview of SDF

SAME was founded in 1927 by Francesco Cassani in Treviglio, in the province of Bergamo in northern Italy, under the chairmanship of Vittorio Carozza and management of its Chief Executive Officer, Massimo Bordi. With its four brands SAME, LAMBORGHINI, DEUTZ-FAHR and HÜRLIMANN, the company is one of the world's leading manufacturers of tractors, engines, combine harvesters and other farm machines. In 2003, the company became the single largest shareholder in Deutz AG, a leading manufacturer of industrial diesel engines, which enabled it to be an important player in the industrial engines diesel industry.

The company has recently acquired DURO DAKOVIC PSU in Croatia, a company dedicated to manufacturing combine harvesters. Subsequent to this acquisition, SDF now concentrates on three core businesses - tractors, engines and combine harvesters.

Technology, innovation, reliability, quality and a high standard of customer service, are the fundamental



pillars of development and strategic priorities for the company. Its product range for tractors, which includes models from 30 to 265 HP, covers all possible requirements, including special purpose tractors and crawler tractors. Thanks to modern engines, self-levelling cabs, automatic gearboxes and variator drives, all four of SDF's brands have grown dramatically, ensuring effective and complementary market positioning.

SDF has always pursued a strategy of internationalisation by strategically locating its manufacturing facilities across the world. It has five production sites located in Treviglio (Italy), Lauingen (Germany), Lublin (Poland), Ranipet (India) and Zupanja (Croatia). Each of the production centres handles their own territory sales. This localised approach means customers can rely on immediate support and assistance, which is geared towards

Company	Mode of presence in India	Year of entry	Key business
SDF India	100 per cent subsidiary	1999	Tractors and engines



the needs of the local agriculture industry. This efficient distribution of manufacturing resources is backed up by a strategy of far-reaching international distribution. SDF's distribution network comprises of around 100 importers all over the world, serving a sales and service network of some 3,000 dealers.

In 2005, SDF achieved a turnover of Euro 936.5 million and sold 33,367 tractors, 22,600 engines and 27,151 transmissions. In December 2006, the company manufactured its 50,000th tractor at its Lauingen factory. The company, which employs around 3,000 people, also achieved a net profit of Euro 31.6 million in 2005.

### SDF in India

SDF entered India in 1999 as a joint venture with the Greaves Group. It bought out the stake of Greaves in the joint venture in 2002, thereby making the Indian operations a 100 per cent subsidiary. It has a production unit for tractors and engines at Ranipet, near Chennai (Tamil Nadu), having an investment of Euro 22.4 million.

SDF India manufactures and markets state-of-the-art SAME brand tractors from 35 HP to 60 HP, in two-wheel drive and four-wheel drive versions, as well as diesel engines. The company is planning to add tractors of 70 HP and above to its product portfolio in the near future. SDF India exports tractors and diesel engines to Sri Lanka, Nepal, South Africa, Kenya, Chile, Israel, Zambia, Congo, Ecuador, Australia, New Zealand and Colombia. The Group also plans to source engines and transmissions for its European operations from India.

The Indian subsidiary was expected to end 2006





## Future plans

The SDF Group plans to invest additional Euro 8.5 million over the next 3-4 years in the Indian operations, which will be used to increase its capacity from the current 10,000 tractors and 15,000 engines per annum to 15,000 tractors and 20,000 engines per annum. SDF India feels that the Indian market is shifting to tractors with higher horsepower and with multiple use functions, a transformation that the company is ideally placed to tap. The company hopes to garner 10 per cent market share over the next two-three years.

There are plans to introduce in India a combine harvester that would be imported from its unit in Croatia. The combine harvester would be suitable for paddy fields in India and is expected to find itself a large market.

with a turnover of Euro 25.8 million, posting an increase of 92 per cent over the prior year turnover of Euro 13.7 million. It is also expected to report a cash profit of Euro 0.69 million for the same year.

## Key success factors in India

### Strong distribution network

To serve the growing aspirations of the Indian farmers, the company has already established a network of ten branches and over 300 dealers at strategic locations in the Indian sub-continent. This distribution reach across the country is mainly responsible for the growth in the company's turnover in the past.

### Wide range of products

The company manufactures tractors in the 30-60 HP range, which are in high demand from the agriculture sector in India. Tractors in the 70 HP segment, which the company is expected to launch shortly, will help increase market share further.

### SDF's India operations

- Entered India in 1999 as a joint venture with the Greaves Group, later converted into a 100 per cent subsidiary
- Manufactures and sell tractors (under the brand name SAME) and diesel engines
- Also makes exports to Sri Lanka, Nepal, South Africa, Kenya, Chile, Israel, Zambia, Congo, Ecuador, Australia, New Zealand and Colombia
- Expected to end 2006 with a turnover of Euro 25.8 million