

Agenda

Corporate review and divisions

Ton Büchner

Financial review

Peter Meier

Corporate Governance

Ton Büchner

Outlook, Summary

Ton Büchner

Discussion

Ton Büchner

Sulzer achieved strong results in 2008, a year that was characterized by...

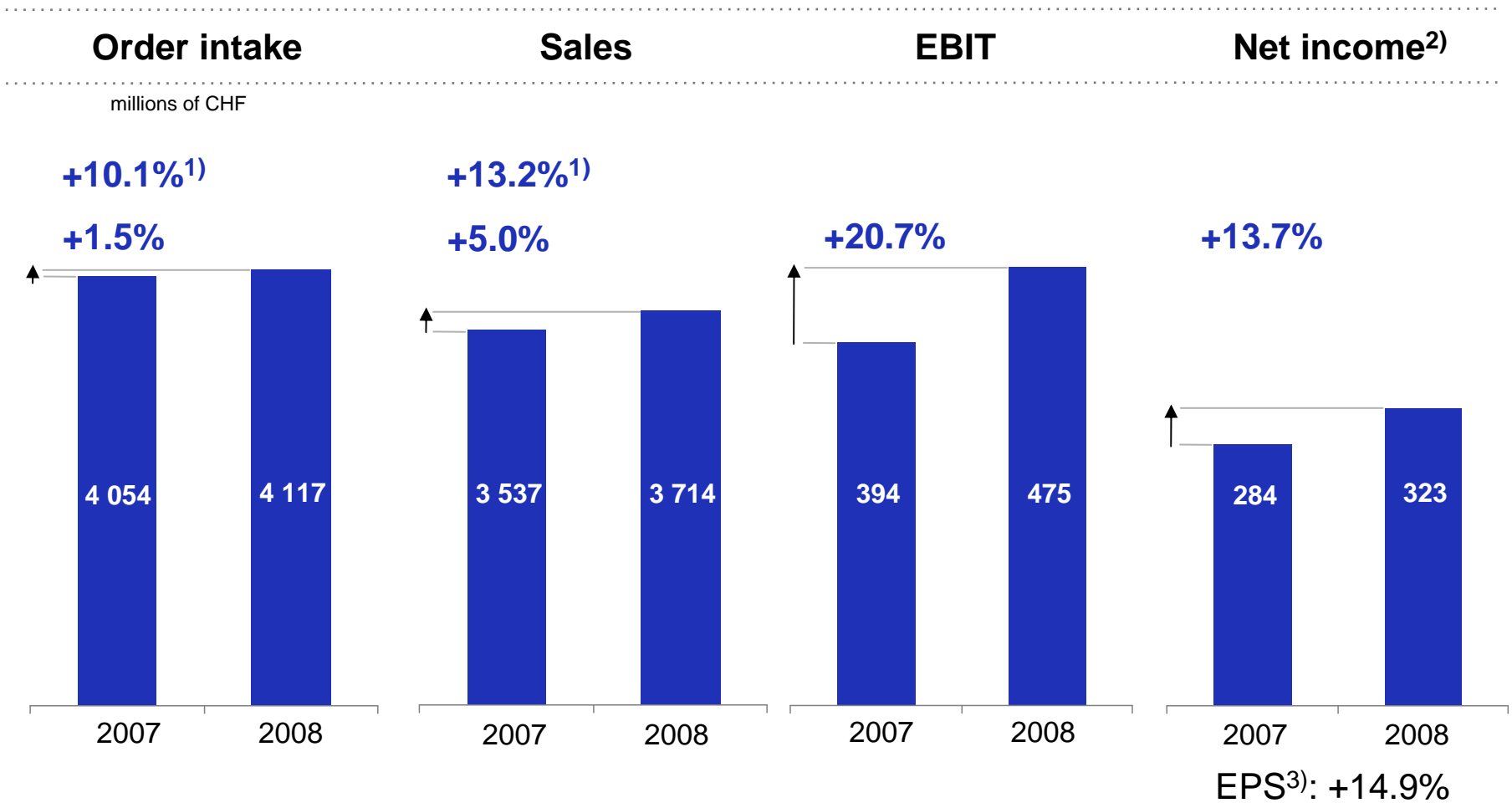
- strong operational improvements,

- largely good market conditions, with a high number of large projects, resulting in:
 - relevant operating leverage,
 - pricing movements due to raw material volatility,
 - good payment terms,
 - a strong order backlog.

- significant currency translation impacts,

- preparing the company for different market conditions in 2009.

Strong top-line growth, record levels achieved



¹⁾ Adjusted for currency effects as well as acquisitions and divestitures

²⁾ Attributable to shareholders of Sulzer Ltd

³⁾ Basic earnings per share



Record results in 2008

Significant exchange rate effects on translation

millions of CHF	2008	2007	△%
Order intake	4 116.6	4 054.0	+1.5
Order backlog ¹⁾	2 100.2	1 978.1	+6.2
Sales	3 713.5	3 537.0	+5.0
EBIT	475.1	393.5	+20.7
ROS ²⁾	12.8%	11.1%	
ROCE ³⁾	30.6%	24.2%	
Net income ⁴⁾	322.9	284.1	+13.7
Earnings per share	9.59	8.35	+14.9
Cash flow ⁵⁾	251.9	177.7	+41.8
Net liquidity	306.1	198.5	+54.2
Employees ¹⁾	12 726	11 599	+9.7

- New record levels of ROS and ROCE
- Net income⁴⁾ up by 13.7% (nominal)
- Strong cash generation
- High net liquidity

¹⁾ As of Dec. 31; employees: full time equivalents

²⁾ Return on sales (EBIT/sales)

³⁾ Return on average capital employed incl. goodwill at net book values

⁴⁾ Attributable to shareholders of Sulzer Ltd

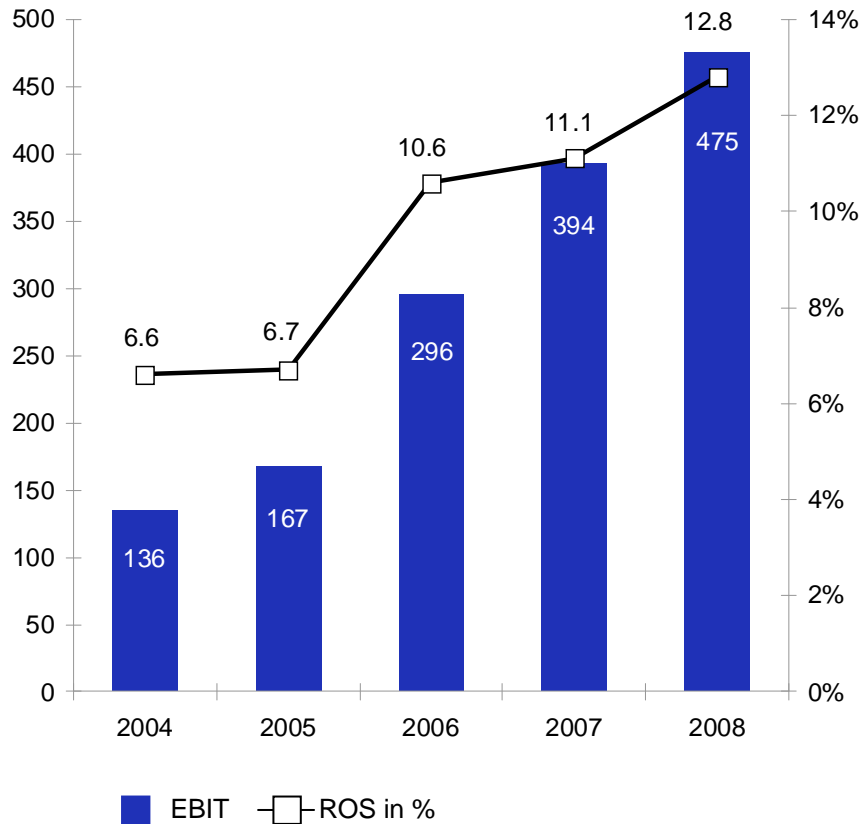
⁵⁾ Cash flow from operating and investing activities

Strong increase of profitability and value creation

Operating leverage and continued operational improvements

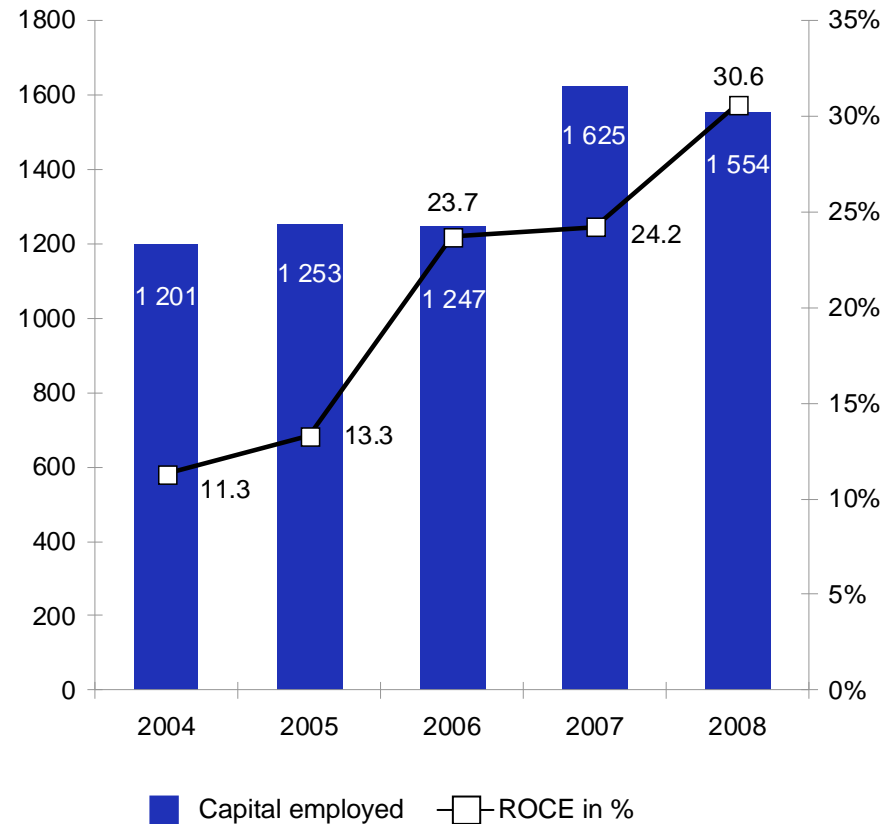
EBIT and ROS¹⁾

millions of CHF



Capital employed and ROCE²⁾

millions of CHF



¹⁾ Return on sales (EBIT/sales)

²⁾ Return on average capital employed incl. goodwill at net book values

2009 began with a high order backlog

Operational improvements

**Flexibility to adapt to
changed environments**

Operating leverage

Raw material prices

Payment terms

**Market developments will influence
the effects going forward**

Exchange rate fluctuations

**Expected to remain very significant
in nominal numbers**

Sulzer's vision, mission and values:

We do what we say

Our vision

Sulzer's vision is to be a **recognized leader** in innovative, sustainable, engineered, and customer-focused solutions for **performance-critical applications** in six main markets and selected industries.

Our values



Customer Partnership

We exceed the expectations of our customers with innovative and competitive solutions.



Operational Excellence

We perform on the basis of structured work processes and LEAN principles.



Committed People

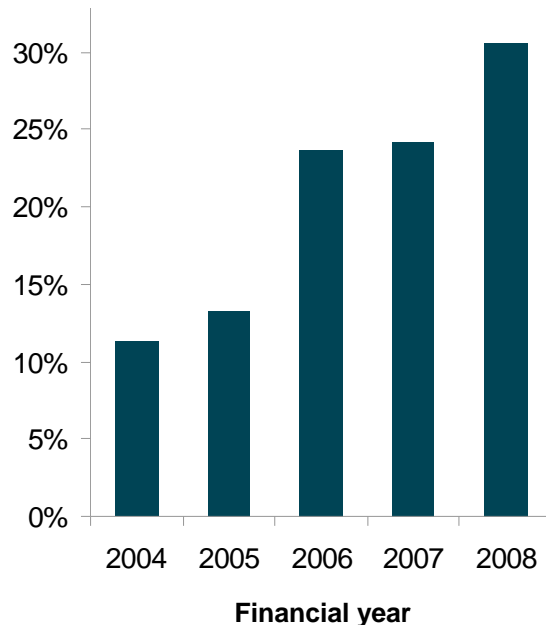
We are committed to high standards and show respect for people.

Sustainability at Sulzer

Economic

“Sulzer’s prime objective is sustainable value creation”

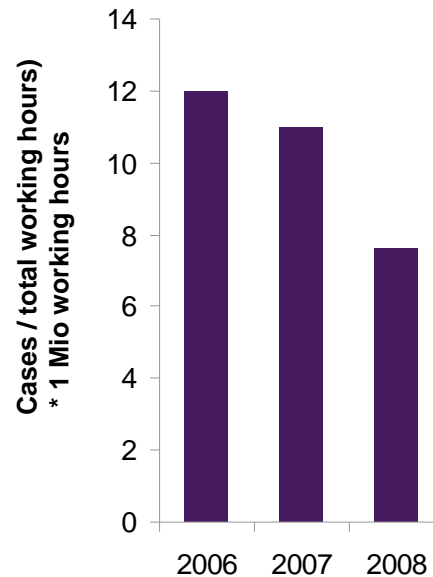
Return on capital employed¹⁾



Social

“Our aspiration is zero accidents”

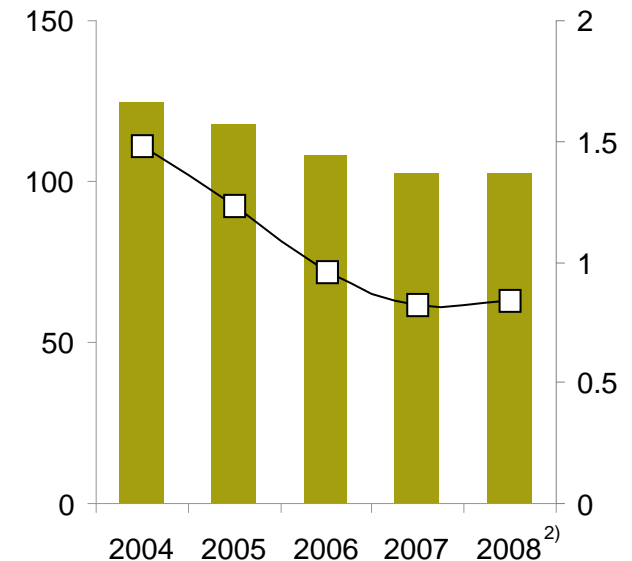
Accident frequency rate



Ecological

“Efficient processes and solutions to minimize the ecological impact”

■ Energy/Net Value Added [GJ/1000 CHF]
 □ Energy/empl [GJ]



¹⁾ EBIT/capital employed (incl. goodwill at net book values)

²⁾ 2008 data provisional

Six key markets

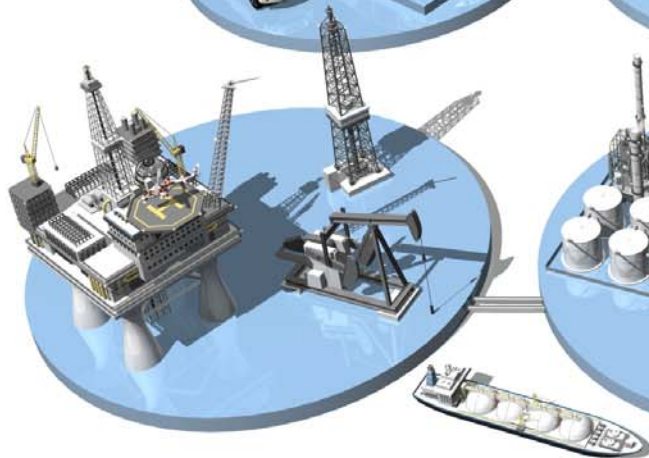
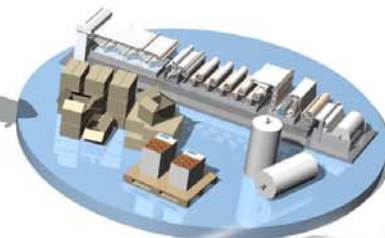
**Automotive
Industry**



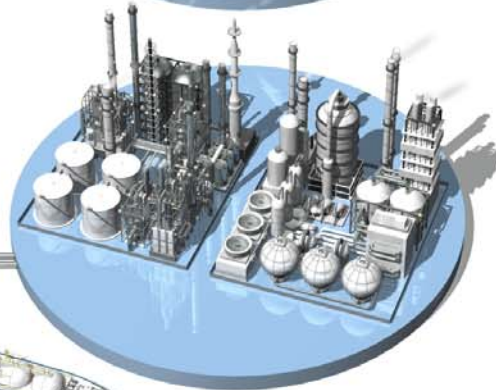
Aviation



Pulp and paper



**Oil and gas
(upstream)**



**HPI¹⁾
(oil and gas,
downstream)**



Power generation

¹⁾ HPI: Hydrocarbon Processing Industry

Four divisions and Sulzer Innotec



Sulzer Pumps

Pumping solutions
and services



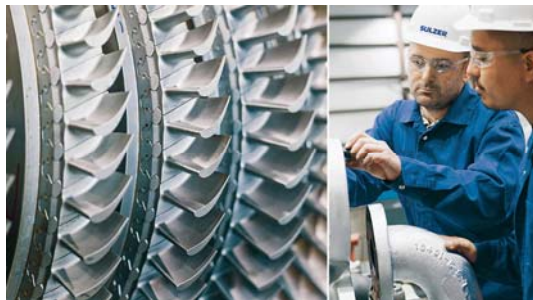
Sulzer Metco

Surface technology
solutions and services



Sulzer Chemtech

Separation columns and
static mixing



Sulzer Turbo Services

Service and repair for thermal
turbomachinery

SULZER



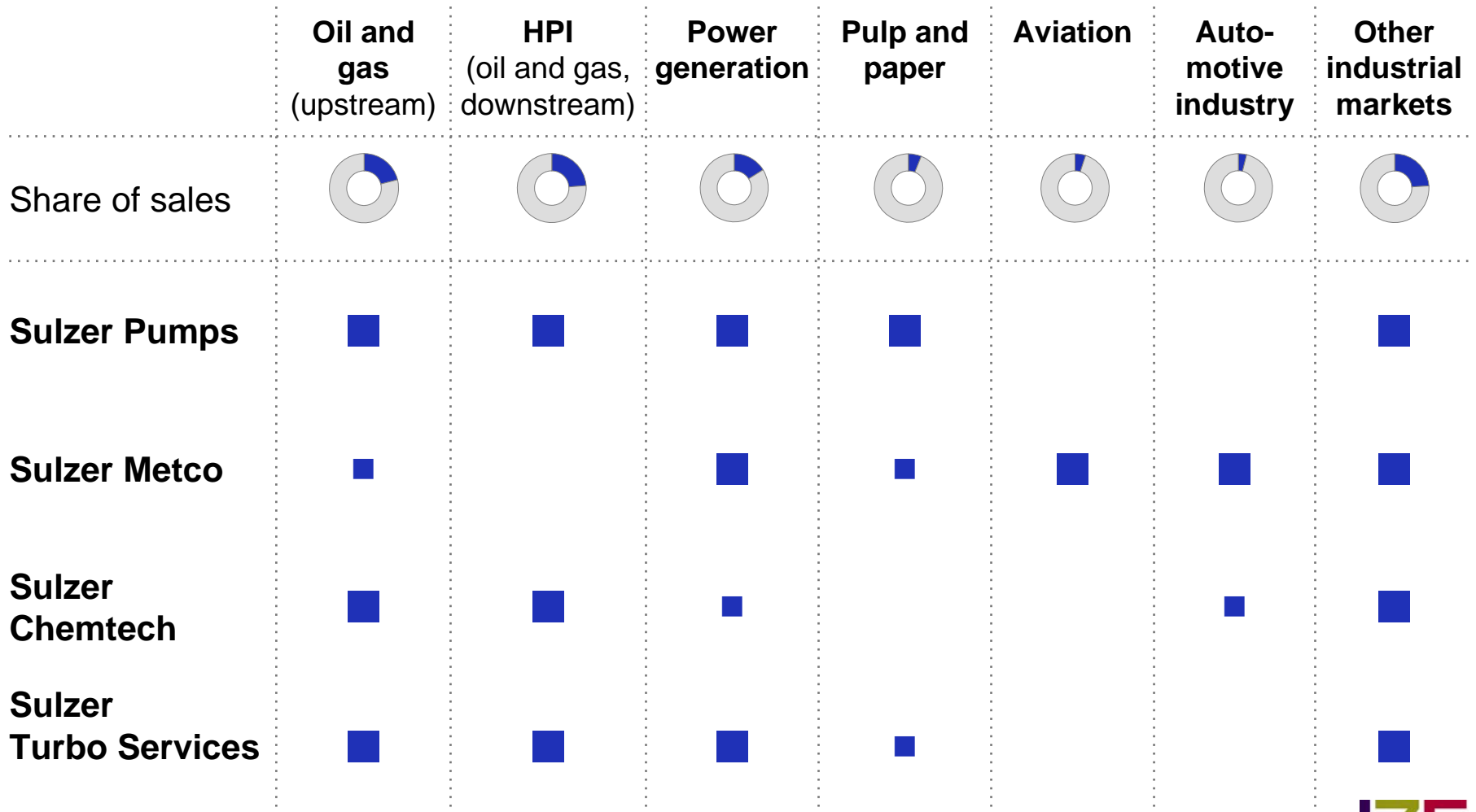
Sulzer Innotec

Contract research and
technical services

175
years

Experience Sulzer

Strong position in our end markets



Key areas of focus for Sulzer

**Corporation-wide operational excellence
based on LEAN principles**



Health and safety



Increased and faster high-quality innovation



Transition into emerging markets



Increased focus on service



Two small service acquisitions

Sulzer Turbo Services

Capime

- Turbomachinery service provider active in Latin America
- Annual sales of ~CHF 13 million
- Purchase price of ~CHF 20 million
- Closing December 2, 2008



Sulzer Chemtech

TowerTech

- Tower field service provider active in Australia and Asia
- Annual sales of ~CHF 8 million
- Purchase price of ~CHF 8 million
- Closing January 15, 2009



Order intake:

Multi-year, strong double-digit growth rates

	Adjusted growth¹⁾ 2008	Adjusted growth¹⁾ 2007	CAGR²⁾ nominal growth 2004–2008
Sulzer Pumps	23.3%	18.0%	21.1%
Sulzer Metco	-1.8%	14.0%	7.6%
Sulzer Chemtech	-9.3%	26.7%	22.2%
Sulzer Turbo Services	5.0%	24.4%	7.6%
Total Sulzer	10.1%	19.2%	17.0%

¹⁾ Adjusted for currency effects as well as acquisitions and divestitures

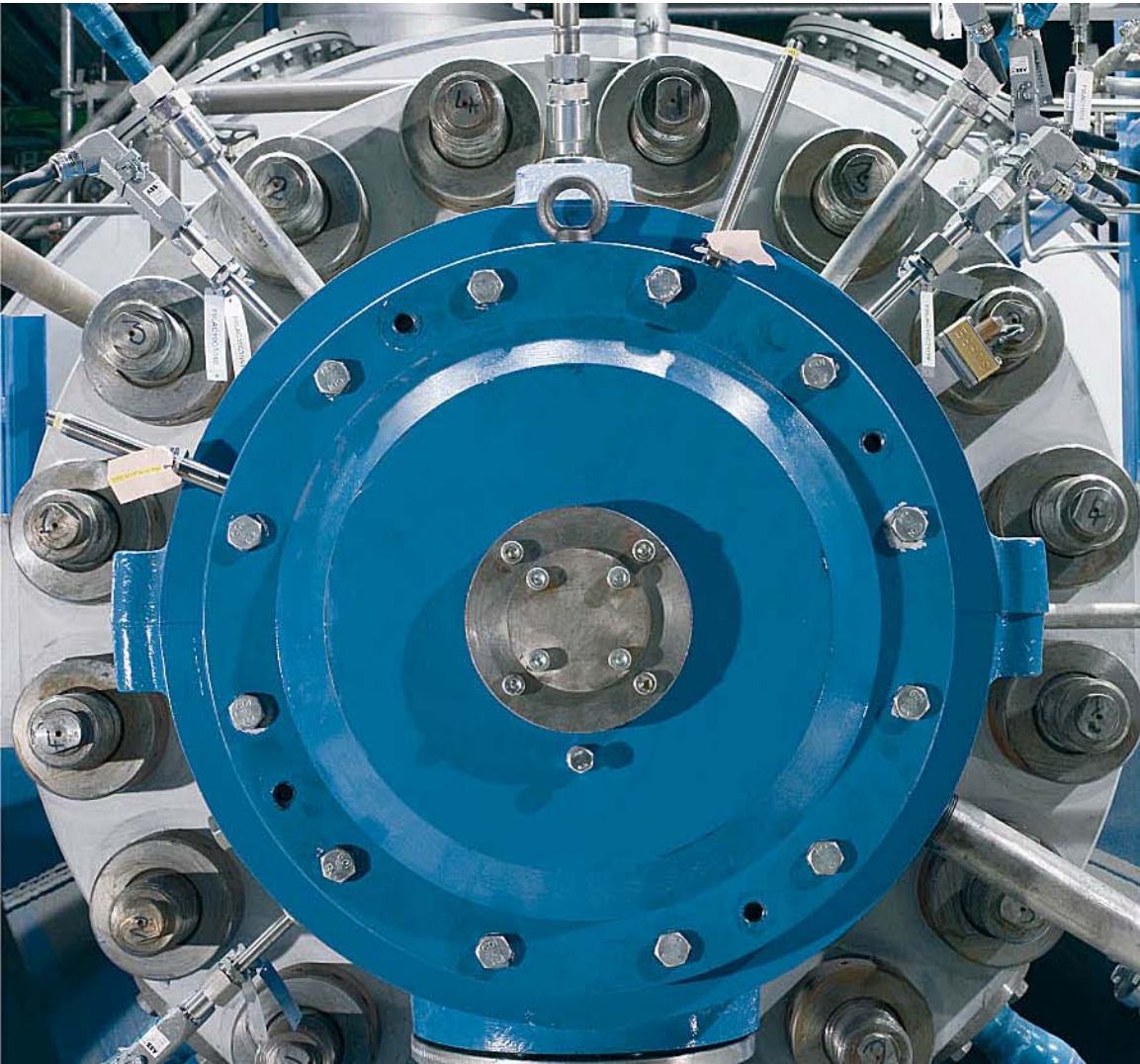
²⁾ Compound annual growth rate

Sulzer Pumps

SULZER

Market leader in pump technology and hydraulics

- No. 1: Pulp and paper
- No. 2: Oil and gas (upstream and HPI)
- No. 3: Power generation



Record level of order intake, sales and EBIT

millions of CHF	2008	2007
Order intake	2 308.7	2 076.9
Order backlog <small>as of 12-31</small>	1 518.6	1 303.8
Sales	1 817.0	1 733.8
EBITDA	257.0	224.9
EBIT	231.9	199.2
ROS (EBIT/sales)	12.8%	11.5%
ROCE (EBIT/capital employed)	53.5%	44.5%
Capital employed ¹⁾	433.8	448.0
Employees ²⁾ <small>as of 12-31</small>	6 239	5 686

- Strong demand in most key markets
- Order growth of 23.3%³⁾ driven by large projects with long lead times
- Return on sales increased notably by 130bps
- Expansion of global service and production network

¹⁾ Average capital employed incl. goodwill at net book values

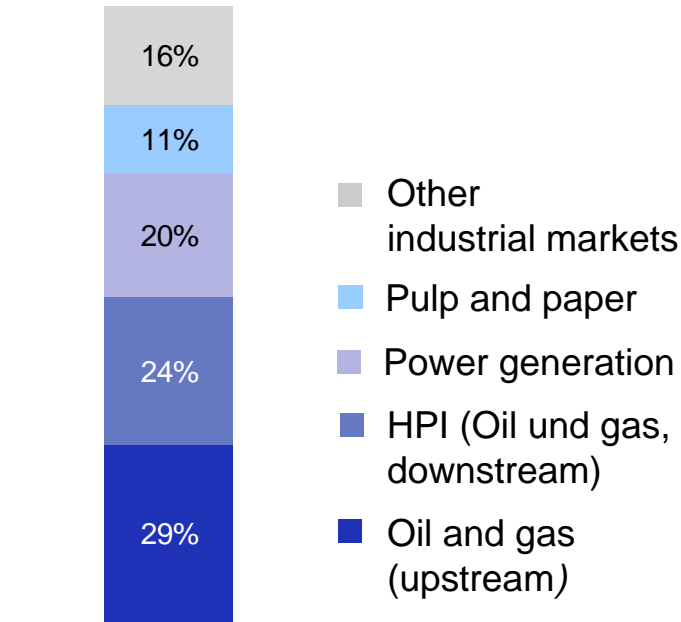
²⁾ Full-time equivalents

³⁾ Adjusted for currency effects as well as acquisitions and divestitures

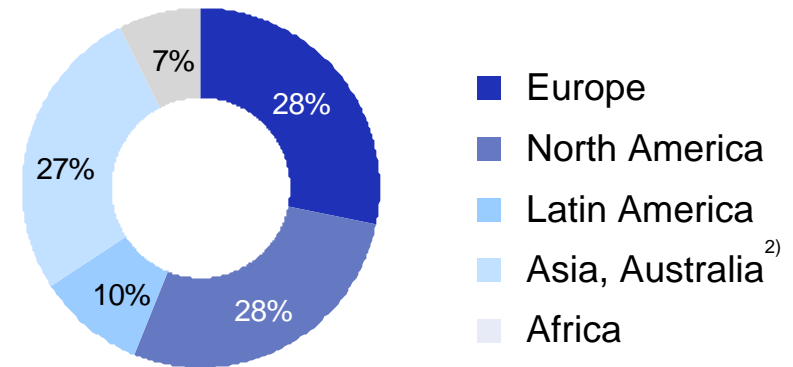
Strong global position in key markets

Sales of CHF 1 817 million, up by 15.9% adj.¹⁾

Sales by market segment



Sales by region



¹⁾ Adjusted for currency effects as well as acquisitions and divestitures

²⁾ Including Middle East

Sulzer Metco

SULZER

Leader in surface technology

- No. 1: Coating equipment
- No. 1: Coating materials
- No. 3: Coating services



Stable sales in a tougher environment

millions of CHF	2008	2007
Order intake	715.6	762.8
Order backlog <small>as of 12-31</small>	68.2	99.7
Sales	743.5	753.1
EBITDA	94.3	102.5
EBIT	69.6	75.8
ROS (EBIT/sales)	9.4%	10.1%
ROCE (EBIT/capital employed)	16.0%	17.1%
Capital employed ¹⁾	433.8	443.2
Employees ²⁾ <small>as of 12-31</small>	2 105	2 054

- Markets stable but weakening toward the end of 2008
- Europe and Japan relatively healthy
- Continued focus on operational excellence
- Further leverage of market position and expansion of service network

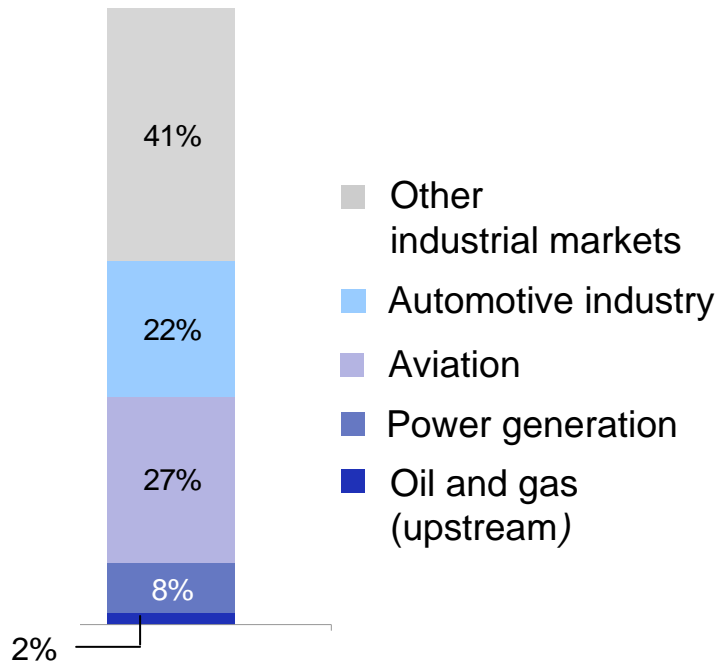
¹⁾ Average capital employed incl. goodwill at net book values

²⁾ Full-time equivalents

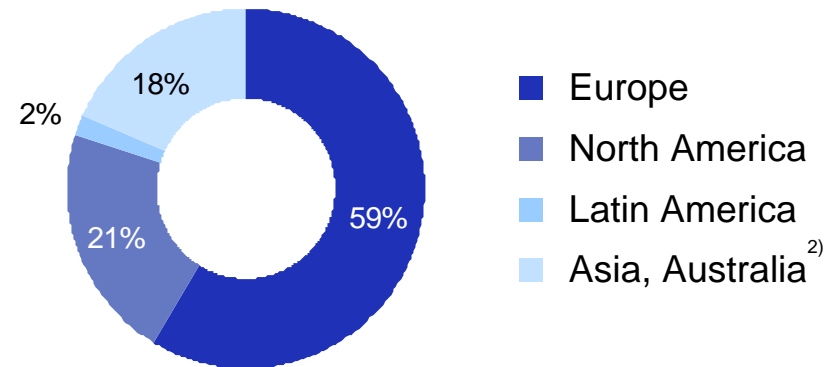
Surface treatment of critical components

Sales of CHF 744 million, up by 3.5% adj.¹⁾

Sales by market segment



Sales by region

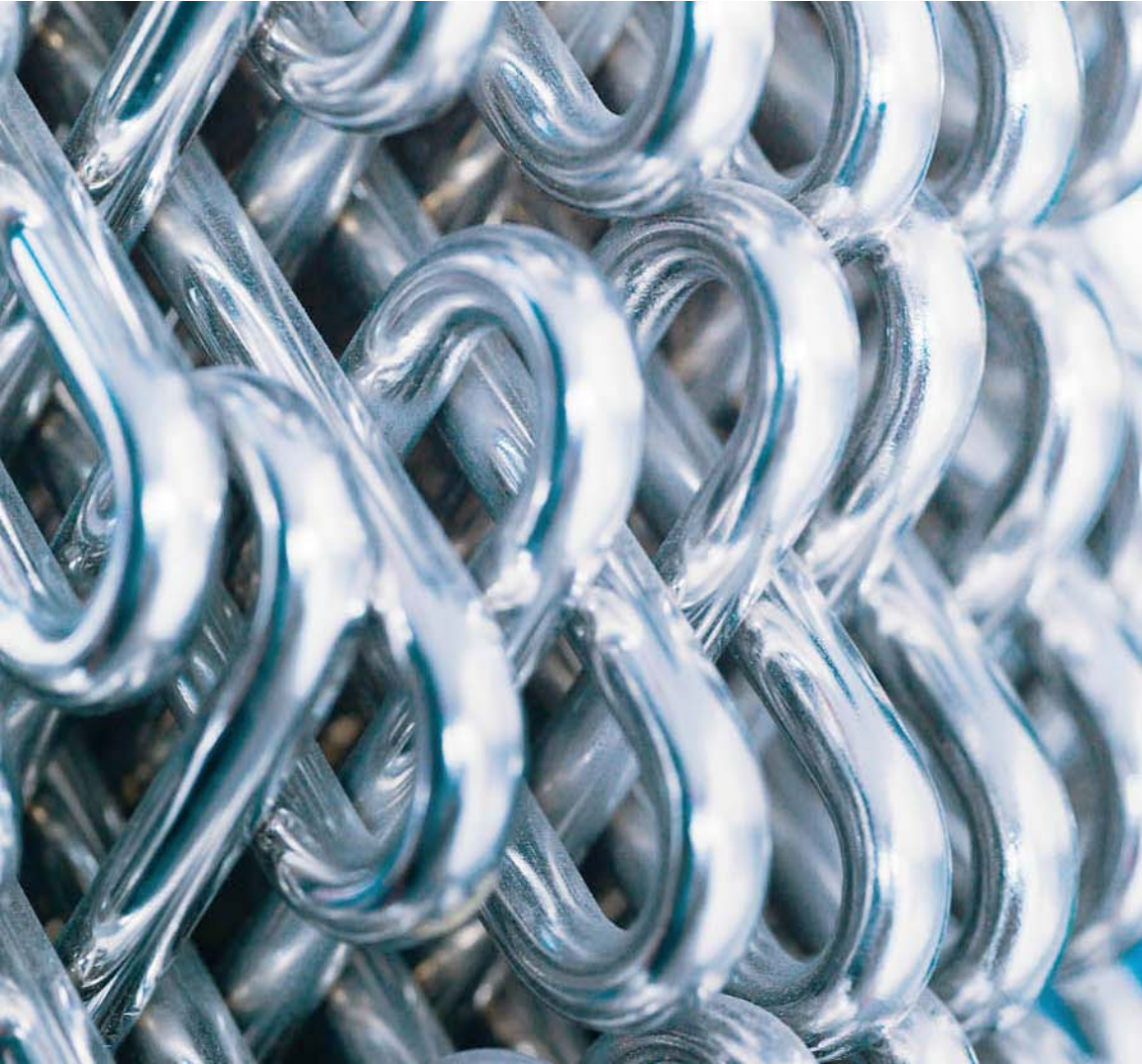


¹⁾ Adjusted for currency effects as well as acquisitions and divestitures

²⁾ Including Middle East

Components and services for separation technology and static mixing

- No. 1: Static mixers (at high viscosity)
- No. 1: Two component mixing and dispensing systems
- No. 2: Separation columns



Increased sales and profitability of 17%

millions of CHF	2008	2007
Order intake	770.4	890.8
Order backlog <small>as of 12-31</small>	347.9	414.0
Sales	823.3	761.3
EBITDA	171.8	150.8
EBIT	140.1	116.3
ROS (EBIT/sales)	17.0%	15.3%
ROCE (EBIT/capital employed)	32.9%	25.1%
Capital employed ¹⁾	426.2	464.1
Employees ²⁾ <small>as of 12-31</small>	2 769	2 393

- Key markets (namely HPI) weakened towards the end of 2008
- Lively activity in Asia
- New facilities and small acquisition to strengthen service business
- Innovation remains the key driver for growth

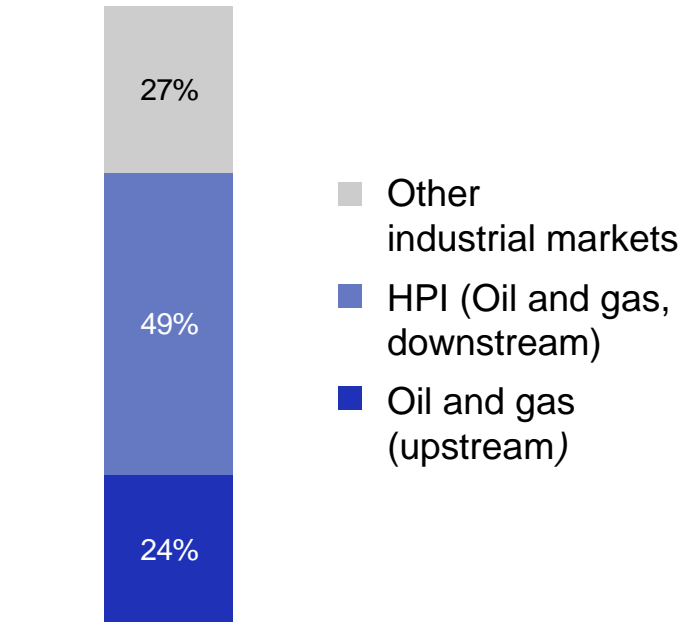
¹⁾ Average capital employed incl. goodwill at net book values

²⁾ Full-time equivalents

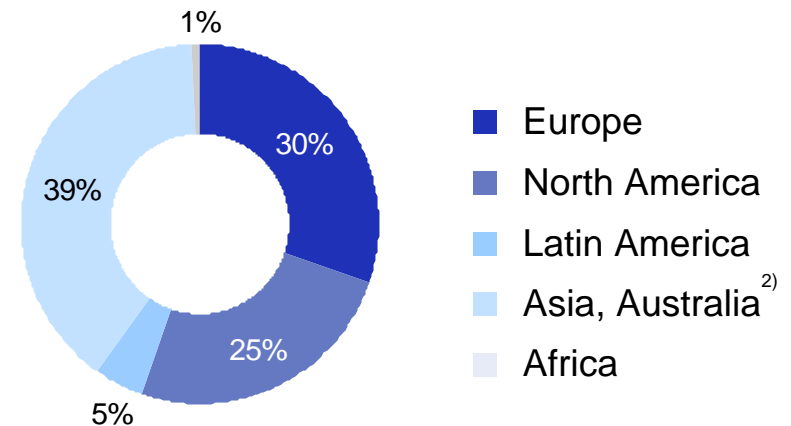
Separation solutions and services for largest segment HPI

Sales of CHF 823 million, up by 13.1% adj.¹⁾

Sales by market segment



Sales by region



¹⁾ Adjusted for currency effects as well as acquisitions and divestitures

²⁾ Including Middle East

Sulzer Turbo Services

SULZER

Leading independent service provider

- No. 1: Industrial gas turbines
- No. 1: Steam turbines
- No. 1: Turbo compressors



Sulzer Turbo Services

Higher sales and operating income

millions of CHF	2008	2007
Order intake	303.4	313.2
Order backlog <small>as of 12-31</small>	160.0	157.6
Sales	313.6	279.0
EBITDA	38.1	32.4
EBIT	30.5	25.1
ROS (EBIT/sales)	9.7%	9.0%
ROCE (EBIT/capital employed)	17.0%	14.5%
Capital employed ¹⁾	179.5	173.7
Employees ²⁾ <small>as of 12-31</small>	1 314	1 179

- Most segments and regions remained healthy
- Clearly improved profitability
- Further efforts of European facilities to reduce costs
- Small service acquisition in Latin America

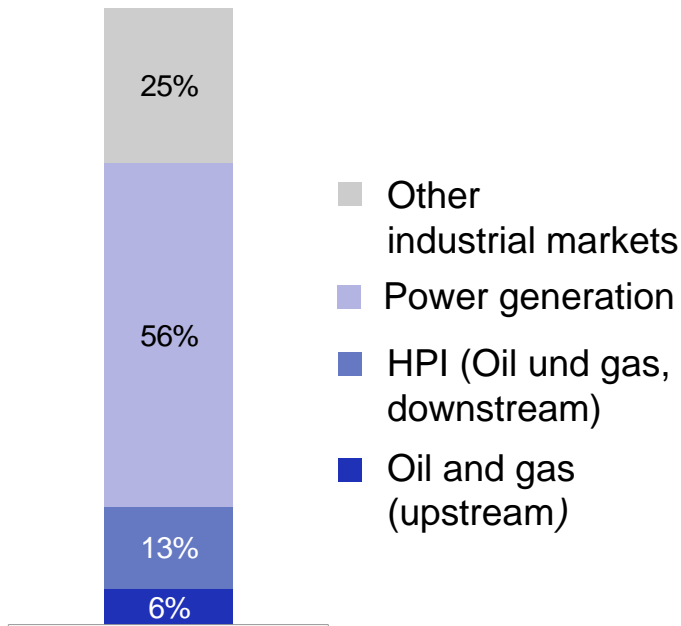
¹⁾ Average capital employed incl. goodwill at net book values

²⁾ Full-time equivalents

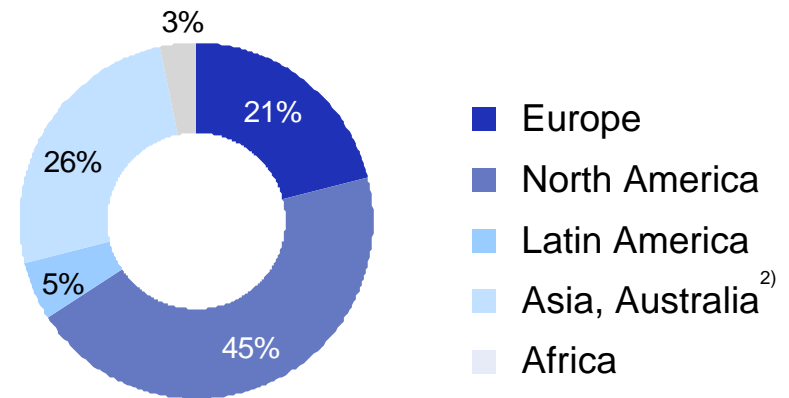
Focus on gas and steam turbines as well as compressors

Sales of CHF 314 million, up by 21.8% adj.¹⁾

Sales by market segment



Sales by region



¹⁾ Adjusted for currency effects as well as acquisitions and divestitures

²⁾ Including Middle East

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Financial review 2008

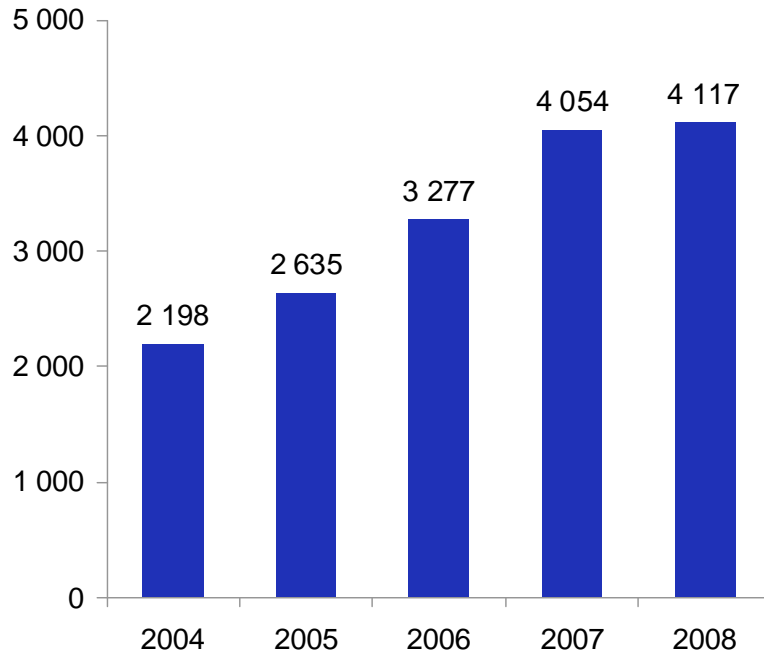
- Record performance in order intake, sales and operating income
- Significant impact of currency translation
- Strong cash generation, expansion of net liquidity, and consequently further strengthening of balance sheet
- Significantly reduced tax rate
- Net income strongly increased

Continuous order intake and sales development

Positive growth despite strong currency headwind

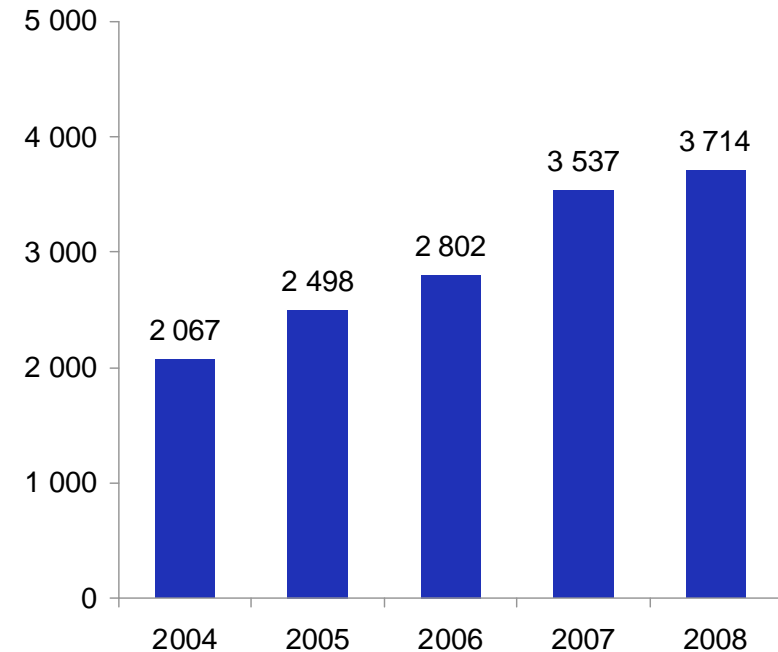
Order intake

millions of CHF



Sales

millions of CHF



Strong growth of 10.1%¹⁾
(+1.5% nominal)

Sales trailing order intake, sales growth
of 13.2%¹⁾ (+5.0% nominal)

¹⁾ Adjusted for currency effects as well as acquisitions and divestitures

Global presence paid off

Major currencies weakened against Swiss franc

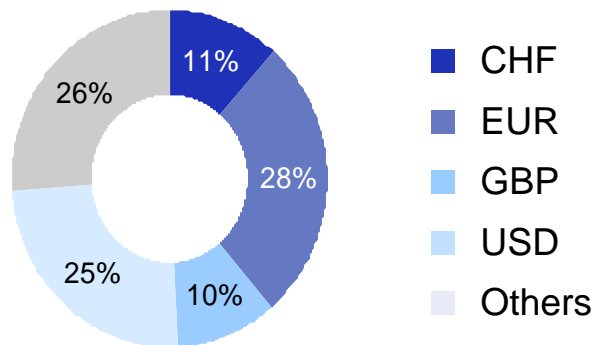
Currency exchange rates (in CHF)

Impact full year 2008

	Closing Dec. 31, 2008	Average Jan. – Dec. 2008	Average Jan. – Dec. 2007	△%		△% nom. to adj. ¹⁾	△ millions of CHF
1 EUR	1.49	1.59	1.64	-3.0%	Order intake	-8.6%	-347.7
1 GBP	1.54	2.00	2.40	-16.7%	Sales	-8.2%	-290.5
1 USD	1.06	1.08	1.20	-10.0%			

Sales by functional currency

2008



- Significant currency impact in 2008
- Exposure mainly related to translation
- Sales and costs are predominantly in the same currency
- Currency impact to remain for 2009

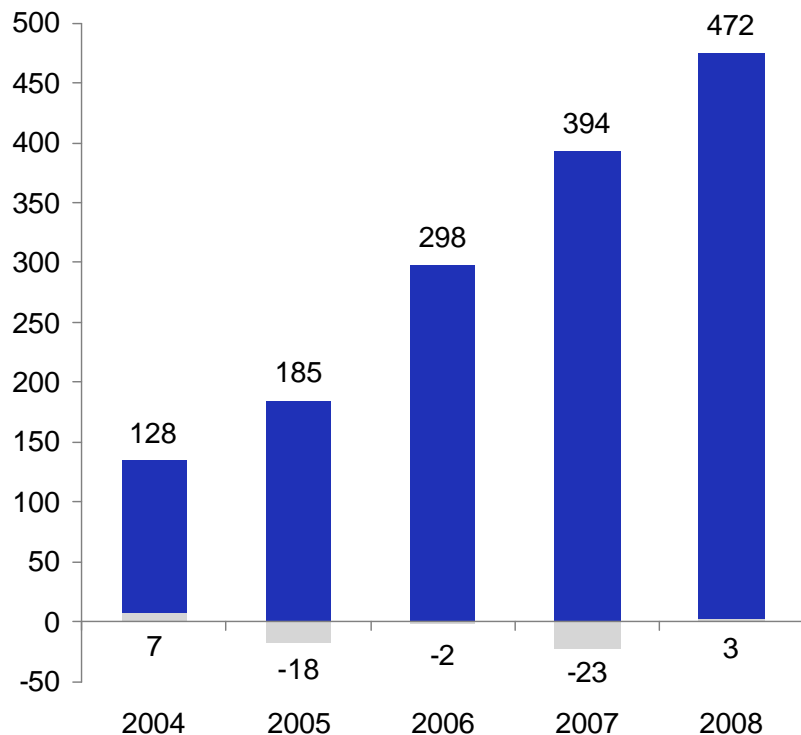
¹⁾ Difference between nominal growth and growth adjusted for currency effects as well as acquisitions and divestitures

Strong increase in return on sales

Corporate fees increased by 50 basis points for divisions

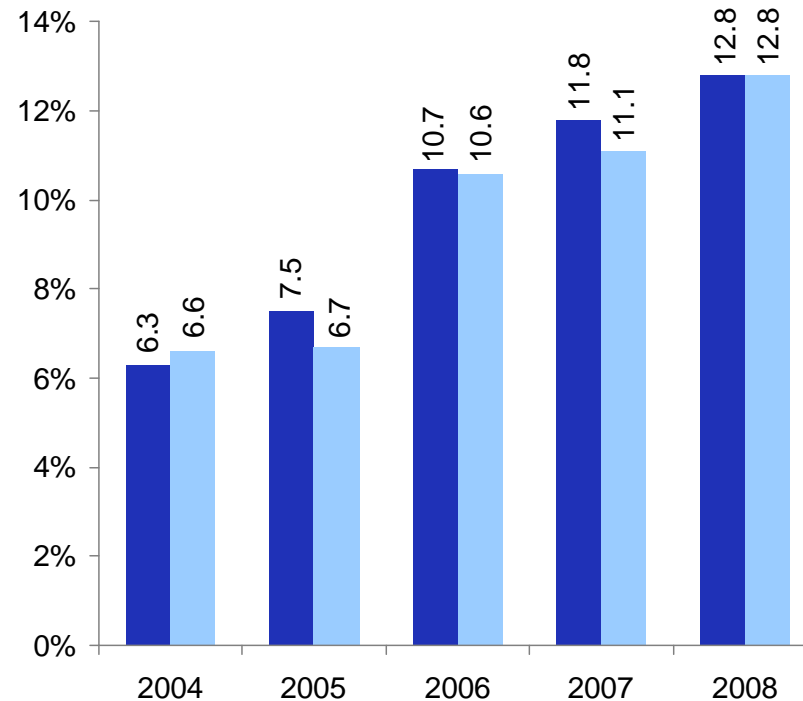
Operating income (EBIT)

millions of CHF



■ Divisions ■ Others

Return on sales (ROS)



■ Divisions ■ Total

Operating improvements driven by the divisions

EBIT up by 20.7% (nominal) or CHF 81 million

millions of CHF	2008	2007	△%
Sulzer Pumps	231.9	199.2	+16.4
Sulzer Metco	69.6	75.8	-8.2
Sulzer Chemtech	140.1	116.3	+20.5
Sulzer Turbo Services	30.5	25.1	+21.5
Subtotal divisions	472.1	416.4	+13.4
Others	3.0	-22.9	-
Total operating income (EBIT)	475.1	393.5	+20.7

- Operating income of divisions increased by 13.4%
- Operating income of “others” improved mainly due to higher corporate fees to divisions and lower external costs
- Currency translation effect compensated for through strong improvements

Others

Operating profit: CHF 3.0 million (2007: loss of CHF 22.9 million)

Sulzer Real Estate

(Operationally non-essential)

- Properties sold for CHF 22 million (2007: CHF 26 million)
- EBIT incl. rental income of about CHF 9 million (2007: CHF 19 million)
- EBIT contribution from disposal of properties is volatile
- Book value December 31, 2008: CHF 134 million (December 31, 2007: CHF 140 million)

Sulzer Innotec

- High capacity utilization
- Good development of innovation projects

Corporate Center

- Higher corporate fees charged to divisions
- Lower expenses for project activities such as acquisitions involving external support

Below the EBIT line

Net income increased by 14% (nominal)

millions of CHF	2008	2007.	△%
Operating income (EBIT)	475.1	393.5	+20.7
Financial income	-23.5	14.1	-
Income tax expenses	-123.9	-120.2	-3.1
in % income before tax (EBT)	27.4%	29.5%	
Net income	327.7	287.4	+14.0
Minority interests	-4.8	-3.3	-45.5
Net income attributable to Sulzer shareholders	322.9	284.1	+13.7
<i>Basic earnings per share in CHF (EPS)</i>	9.59	8.35 ¹⁾	+14.9

- Financial income impacted by exchange rate developments
- Tax rate reduced by more than two percentage points
- Strongly increased net income and EPS

¹⁾ Restated for share split

Strong cash flow generation

Cash flow statement according to IFRS

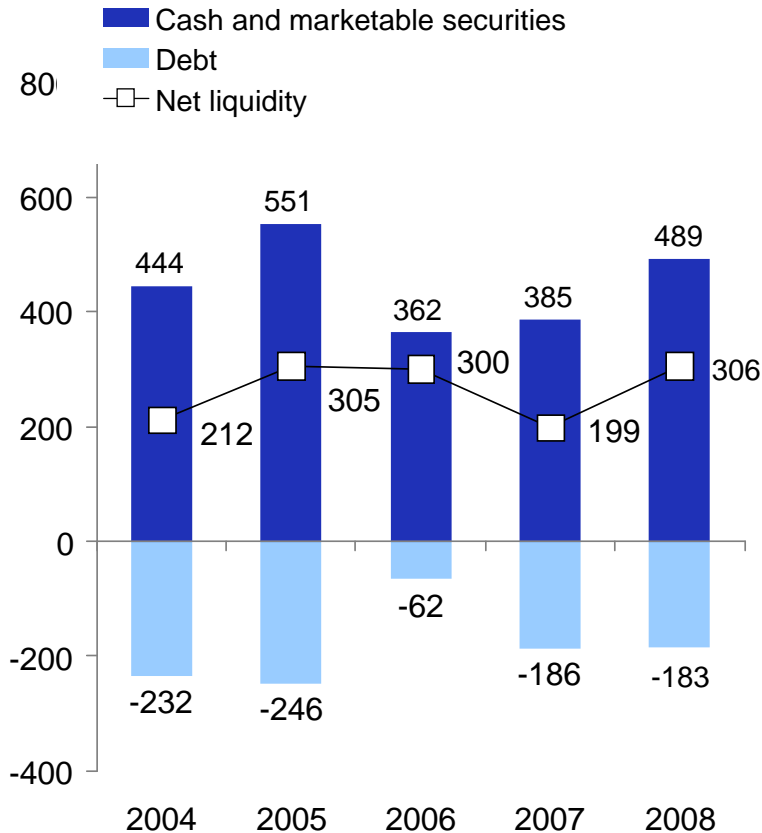
millions of CHF	2008	2007
EBITDA	575.9	501.3
Changes in net current assets/provisions	-20.3	-71.3
Interests, income tax, etc.	-105.7	-168.7
Cash flow from operating activities	449.9	261.3
Capital expenditure net	-86.8	-105.1
Acquisitions/divestitures	-77.1	-9.9
Purchase/sale fin. assets, mark. securities	-34.1	31.4
Cash flow from investing activities	-198.0	-83.6
Cash flow from operating and investing activities	251.9	177.7

- Operating income as major underlying source of cash flow
- Active management of net current assets
- High advance payments from customers related to new orders
- Final payment for the Mixpac, Werfo, and Mold acquisition

Balance sheet further strengthened

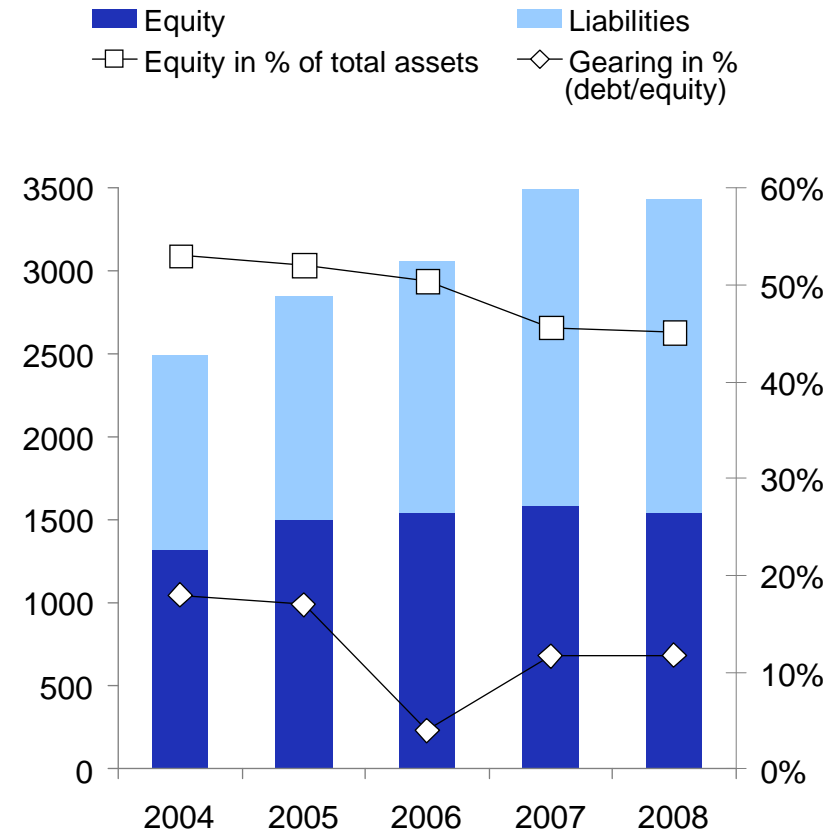
Net liquidity

millions of CHF



Balance sheet

millions of CHF



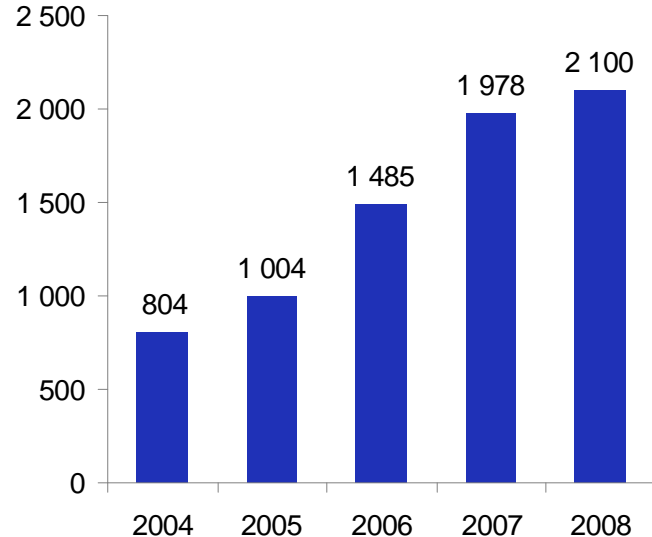
- Strong and healthy balance sheet, firm foundation for our businesses
- Well-positioned in the face of uncertain markets



High order backlog ensuring resilience for 2009

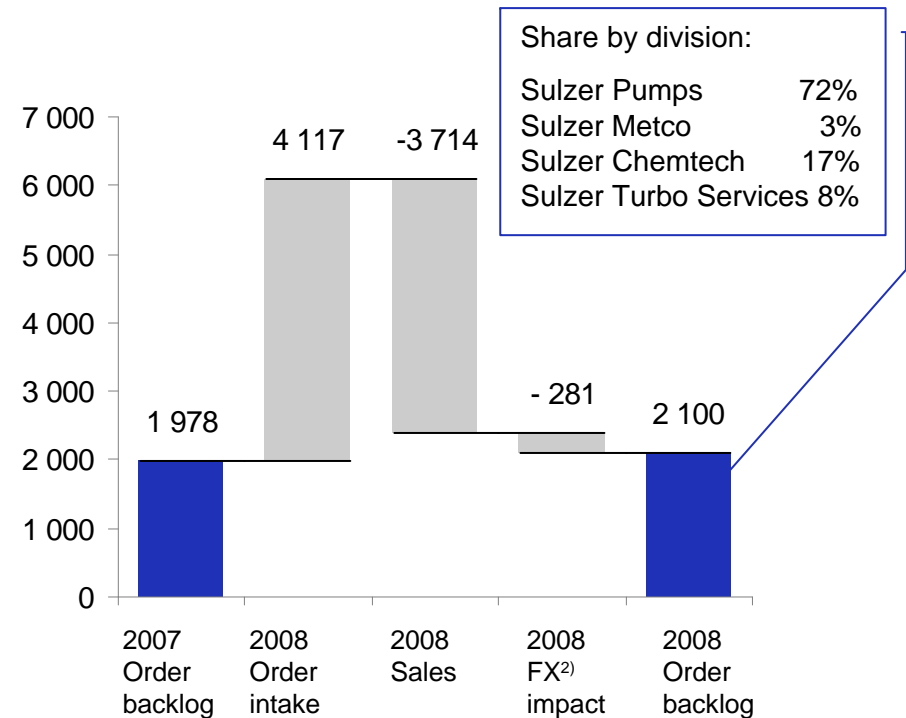
Order backlog¹⁾ over several years

millions of CHF



Backlog affected by currency effects

millions of CHF



¹⁾ Order backlog 1.1. plus order intake, less sales, +/- changes in the consolidation scope, 31.12. converted at closing exchange rates

²⁾ Net currency translation adjustment plus changes in the consolidation scope

Financial summary

- Sulzer continues to focus on long-term value creation
- Significant impact of currency translation to remain for 2009
- Adequate credit facility in place to finance business needs as well as selective expansion projects
- Tax rate expected at around 28%
- Strong and solid balance sheet builds a good foundation for our businesses

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Shareholding structure as of December 31, 2008

Total registered shares: 34 262 370

The following shareholders held more than 3% of Sulzer Ltd's share capital:

Shareholder	Shares number of	Shares percentage of	Purchase positions percentage in share equivalents	Sale positions percentage in share equivalents
Renova Group¹⁾	9 285 607	27.10%	4.10%	
Fidelity Management Research	1 673 476	4.88%		
Sulzer AG¹⁾	699 439	2.04%	4.95%	4.88%

¹⁾ For notification purposes Sulzer Ltd and the Renova Group are considered a group within the meaning of Art. 15 SESTO-SFBC. The combined holding as notified on January 20, 2009, amounted to 29.14% in shares as at the end of 2008.

EBK/FINMA¹⁾ proceedings concerning Sulzer

As of February 26, 2009

FINMA investigation on potential violation of notification rules

FINMA ruled on January 22, 2009 that Ronny Pecik sen. and Georg Stumpf, acting together as an organized group, infringed their disclosure obligations under Art. 20 of the Stock Exchange Act when building their stake in Sulzer AG toward the end of 2006 and beginning of 2007.

Group building in the context of take over law

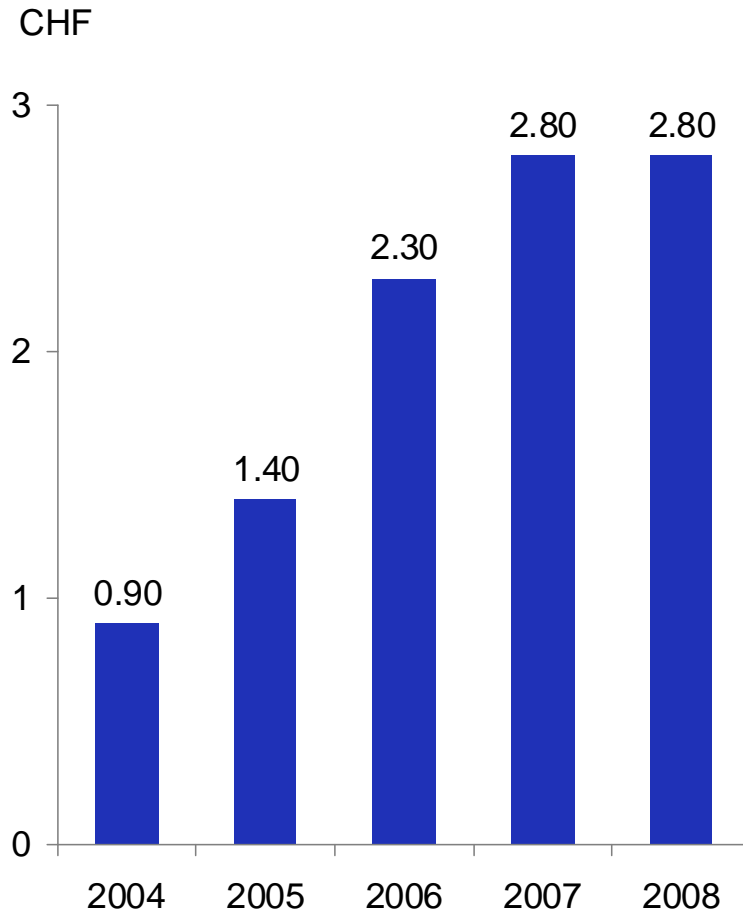
EBK/FINMA confirmed on May 29, 2008, that Renova and Sulzer are not a group in the context of take over law.

Group building in the context of disclosure rules

EBK/FINMA confirmed in its decision of May 29, 2008, that Renova and Sulzer (at least during the time of the standstill agreement) are a group in terms of disclosure law. As a consequence both parties disclose their holdings as a group.

¹⁾ EBK: former Federal Banking Commission; FINMA: Swiss Financial Market Supervisory Authority (new supervisory authority since January 1, 2009)

Dividend proposal



- Wednesday April 8, 2009, 10 a.m. in the Eulachhalle, Winterthur, Switzerland
- Proposed dividend: **CHF 2.80 per share**
- Payout ratio ~29%
- Dividend yield: approx. **4.7% on year-end share price of CHF 60**
- Ex dividend April 15, 2009

2004 until 2007 restated for share split as of April 14, 2008

Annual general meeting 2009

Board of Directors

Proposed for re-election for a three-year term of office:

**Ulf
Berg**



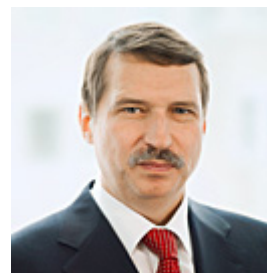
Chairman
Sulzer board member
since April 2007

**Daniel J.
Sauter**



Sulzer board member
since April 2002

**Vladimir V.
Kuznetsov**



Sulzer board member
since December 2007

**Urs Andreas
Meyer**



Sulzer board member
since December 2007

The proposed re-election of Ulf Berg and Daniel J. Sauter is currently not supported by the single largest shareholder Renova.

Agenda

Corporate review and divisions

Ton Büchner

Financial review

Peter Meier

Corporate Governance

Ton Büchner

Outlook, Summary

Ton Büchner

Discussion

Ton Büchner

Market assessment

	Market condition in 2008	Assessment 2009
Oil and gas (upstream)	Very good	Reduced project activity
HPI (Oil and gas, downstream)	Good	Clearly reduced project activity
Power generation	Very good	Reduced project activity
Pulp and paper	Weakening	Weak
Aviation	Stable	Uncertain
Automotive industry	Weakening toward year-end	Transient

Financial midrange outlook for the Corporation

A realistic scenario in a highly uncertain environment

Key figures	Achievements 2008	Midrange outlook ³⁾
ROS - Return on sales ¹⁾	12.8%	~10%
ROCE - Return on capital employed ²⁾	30.6%	>20%
Sales growth	5.0%	-5% to -8% (CAGR adj. ⁴⁾)

- Measures ongoing – charges possible
- Culture of actions; advance announcements only when required
- Also more pessimistic scenarios prepared

¹⁾ EBIT/sales

²⁾ Average capital employed incl. goodwill at net book values

³⁾ Status: February, 2009

⁴⁾ Compound annual growth rate, adjusted for currency effects as well as acquisitions and divestitures

Key areas of focus for Sulzer

**Corporation-wide operational excellence
based on LEAN principles**



Health and safety



Increased and faster high-quality innovation



Transition into emerging markets



Increased focus on service



Summary

- 2008 was a great year

- Significant challenges in 2009 and beyond

- Sulzer focuses on long-term value creation

- Sulzer's strengths make us confident to take on the challenges
 - Accommodate growth in a flexible way
 - Strong order backlog
 - Management team with experience in a downturn economy
 - Focus on cash generation ingrained

Experience Sulzer



THE SAFE HARBOR STATEMENT UNDER THE US PRIVATE SECURITIES LITIGATION REFORM ACT 1995

This presentation contains forward-looking statements, including but not limited to, projections of future performance of materials and products, containing risks and uncertainties. These statements are subject to change based on known risks detailed from time to time in the company's relevant filings and other known and unknown risks and various other factors which could cause the actual results or performance to differ materially from the statements made herein.