



Taking Care of Your Workforce

Mary Andringa, President/CEO

June 2010

VERMEER CORPORATION

Who Is Vermeer?

Vermeer Corporation is a leading manufacturer of forage, environmental, underground and specialty excavation equipment. Vermeer is committed to creating products that are built to last – with a global team of employees that are dedicated to taking care of customers worldwide with better solutions.



THE VERMEER FAMILY

Placing Our Company in Good Hands

- **Bob Vermeer**
- Chairman of the Board
- **Mary Andringa**
- President & CEO
- **Jason Andringa**
- Managing Director, Vermeer EMEA
- **Allison Van Wyngarden**
- Manager, Continuous Improvement
- **Mindi Vanden Bosch**
- Manager, Marketing Fleet



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- Manager, Continuous Improvement
- **Allison Van Wyngarden**
- Managing Director, Vermeer EMEA



OUR GLOBAL TEAM

2,338 Total Employees

- Pella - 1,805
- Europe, Middle East, Africa and CIS the Netherlands (EMEA) - 30
- Vermeer Asia Pacific (VAP) - 5
- Vermeer Beijing Manufacturing Ltd. (VBM) - 75
- Vermeer Latin America (VLA) - 12
- Wildcat Mfg. Co., Inc. - 53
- Welger - 358



• Welger - 358



GLOBAL DEALERSHIP NETWORK

Taking Care of Our Customers

Vermeer products and solutions are backed by a global independent authorized dealership network providing sales, service and parts.

Industrial Dealership Locations:

Domestic - 125

International - 63

Forage Dealership Locations - 385



Forage Dealership Locations - 385



THE VERMEER FOUNDATION

4P Philosophy

- Principles
- People
- Product
- Profit



THE VERMEER FOUNDATION

4P Philosophy

- Principles
- **People**
- Product
- Profit

People

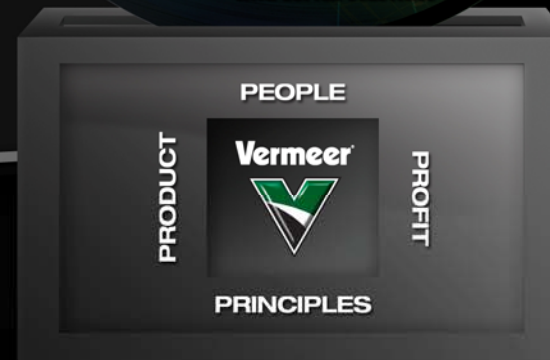
Vermeer values its employees by providing a stable work environment, opportunities for growth and professional development.



VERMEER POLICY DEPLOYMENT

Striving for Success in 2010

The Vermeer Policy Deployment is built upon the foundation of the 4P Philosophy. Each piece is vitally important in achieving the company's overarching goal of taking care of customers worldwide with better solutions.





Vermeer Corporation

- Iowa Manufacturing Association (Iowa Association of Business & Industry - 1984)
 - Member since May 1, 1956
- National Association of Manufacturers
 - Member since September 1, 1982

What Are the Top Four Most Serious Problems for Your Company?

- 2007
 - Cost of health insurance for employees
 - **Finding qualified employees**
 - Burden of taxes
 - Government regulations generally
- 2008
 - Cost of health insurance for employees
 - Burden of taxes
 - Government regulations generally
 - **Finding qualified employees**
- 2009
 - Cost of health insurance for employees
 - Government regulations generally / Burden of taxes
 - Competition from imports
 - **Finding qualified employees**



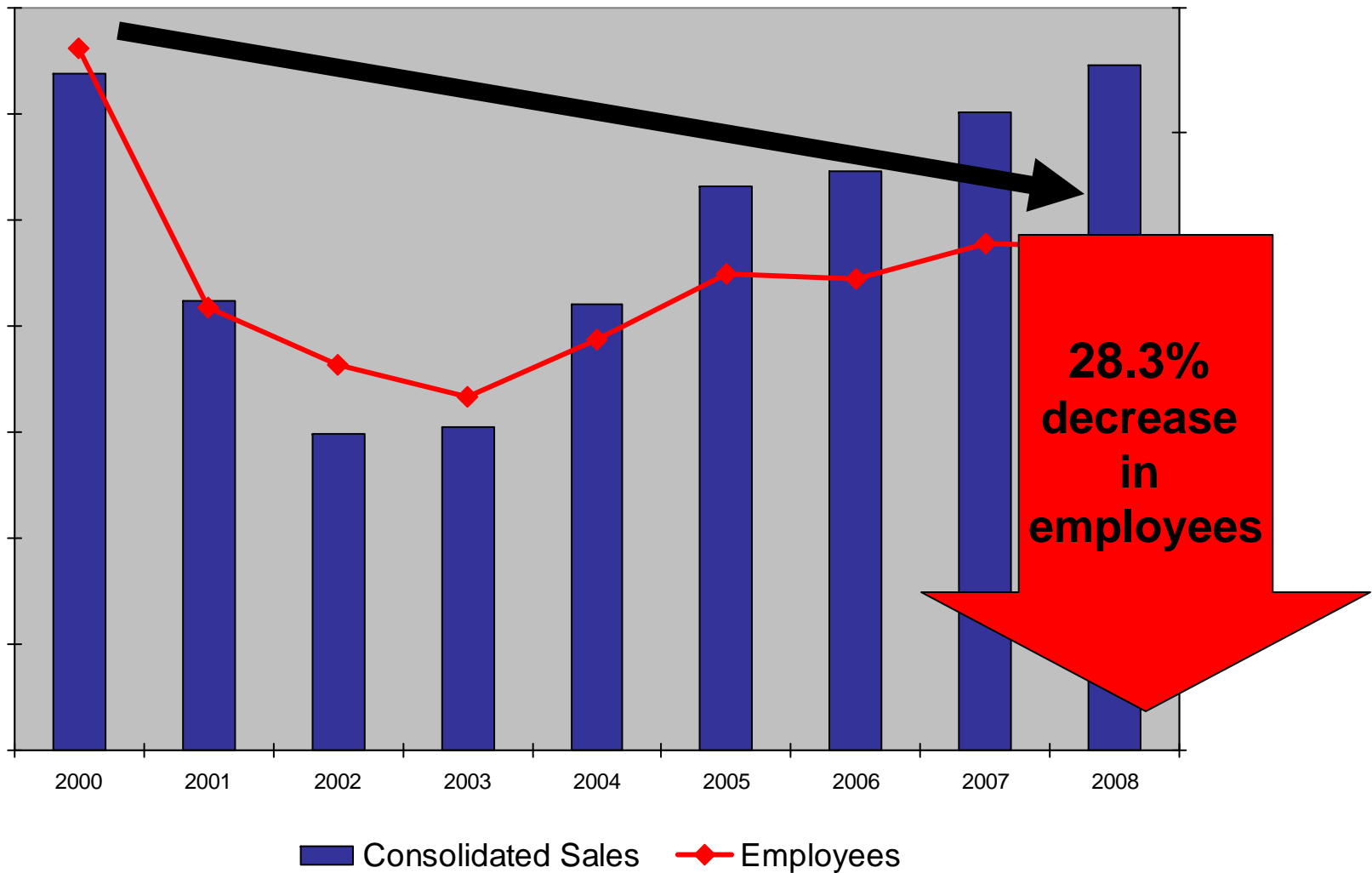
Positioning for the Future
in a Challenging Economy

Positioning for the Future

- Retain skilled workforce
- Focus on R&D projects
- Reduce inventory
- Continue the lean journey

Consolidated Companies' Sales

All Companies Except Welger



Slide 13

NK2

this is from Missy - it is consolidated companies (except Welger) so the duplication is removed

employees is from Carol's payrep_fy2009

Norma Kuiper, 6/1/2010




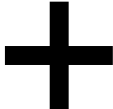
Shared Work

- Vermeer has used the shared work program four times since it began in 1991.
- “We made a long-term investment for Vermeer Corporation and all stakeholders by keeping our employees working. By doing so, employees are more engaged in the business, are more loyal and willing to support what we are trying to do to be successful.”

*- Vince Newendorp
VP of Administration
April 2009*

Perspective on Shared Work

- Employer Perspective 
 - Employee retention (prepared when economy improves / competitive edge)
 - Provides training opportunities
 - Reinforces positive company values
 - Enhances employee loyalty
 - Long-term cost reduction
 - Better for our communities

- Employee Perspective 
 - Work/life balance
 - More income than full unemployment
 - Positive view of company – saving jobs rather than layoffs
 - Would rather share in reduced hours than lose co-workers to layoff
 - Able to keep full benefits
 - No weekly filing of claims
 - Part-time weekend jobs
 - Cross training/development opportunities

Layoffs vs. Shared Work Cost/Value

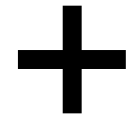
- Short-term value

- Layoff

- Severance cost
 - Full unemployment costs
 - Knowledge loss
 - Negative impact on community economy
 - “Survivor Syndrome” for those left working

- Shared work

- Full benefits on reduced hours



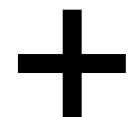
- Long-term value

- Rehiring costs after layoff when economy rebounds (i.e. engineer = 200% of salary)

- Recruitment / Relocation / Training

- Shared work = long-term value

- Better cross-trained employees
 - Flexibility to increase hours as needed
 - Ready to rebound when the economy recovers

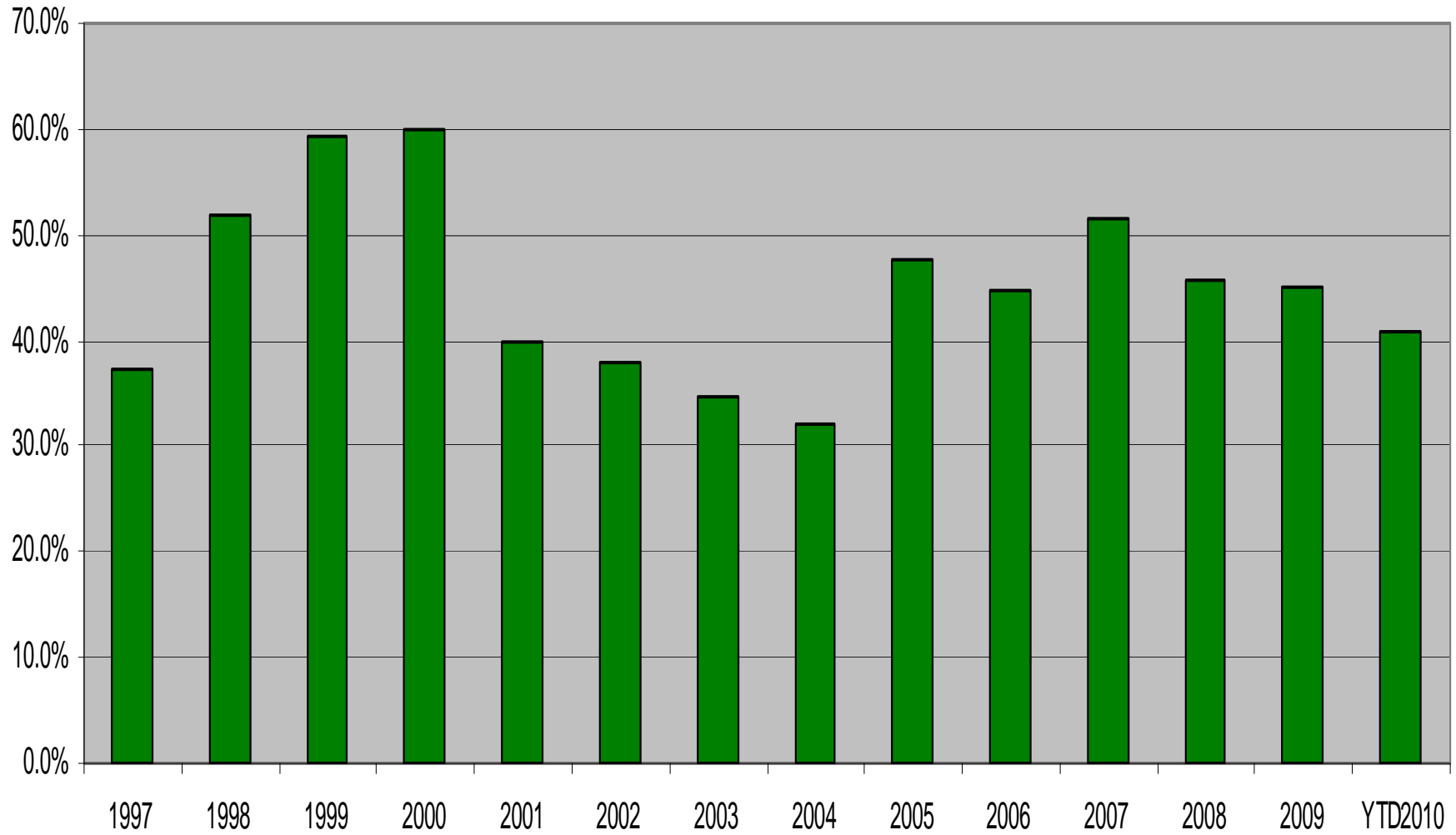




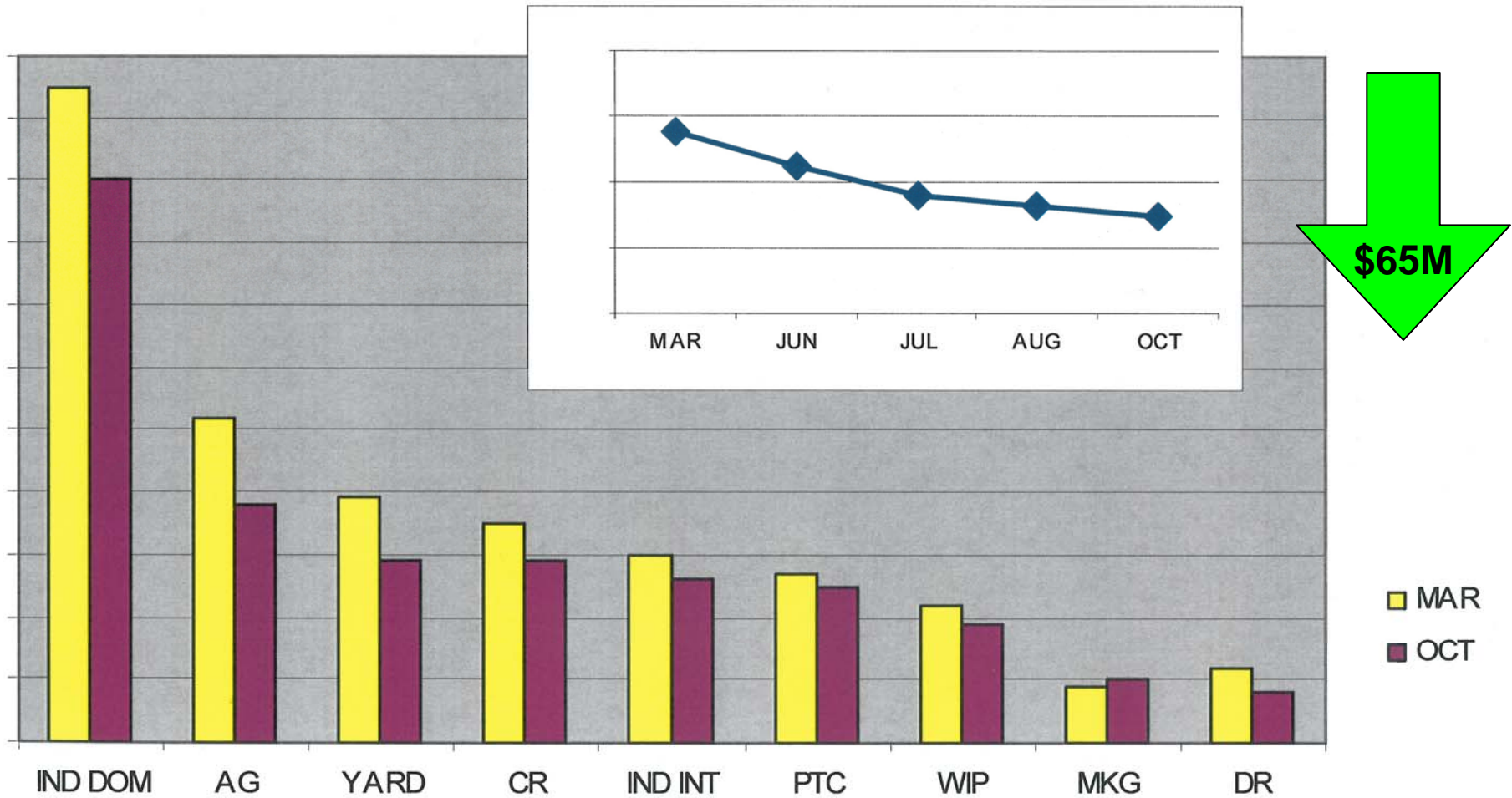
R&D Focus

New Product % of Sales
New Product Model introduced within last 4 years

44.8%
Avg YTD 2010



Reduce Inventory





Lean Participation

2000 Employee Survey

Number of Events	0	1 - 2	3 - 5	6 +
Supervision	-3	3	8	13
Employee Involvement	-4	3	14	16
Career Advancement	-1	0	7	13
Job Satisfaction	-2	0	11	14
Customer Focus	-3	2	12	14
Kaizen Initiative	-6	7	14	27



Lean Participation

2007 Employee Survey

Number of Events	0	1 - 2	3 - 5	6 +
Leadership	0	-2	0	4
Employee Involvement	-3	-4	3	13
Training and Development	-1	-3	5	5
Working Conditions	-1	-2	1	6
Customer Focus	-5	-1	3	9
Lean Methodology	-10	-1	3	18



On-Site Services

Vermeer On-Site Whole Health Services Center



On-Site Occupational Health and Primary Care



Seating and play area for children

02.01.2008 13:24



Primary Care and
Pharmacy Reception Area
Exam Room

01.01.2008 13:23

Occupational Health Exam Room

Vermeer Pharmacy



04/11/20

Clinic & Pharmacy

- On-site acute care began in 2002
- On-site pharmacy began in 2006
- Wellness screen participants
 - 2006 – 1,781
 - 2007 – 1,887
 - 2008 – 1,851
 - 2009 – 1,993

Chaplain



- Employed through Workplace and Family Life Services, a third party employee assistance provider for Vermeer
- Makes personal contact with production and office team members and their families to provide assistance and support in crises, illness, hospitalization, deaths, births, marriages and special accomplishments
- The chaplain averaged a total of 50 confidential pastoral discussions per week in FY09

Communication

- E-News Now
(breaking news)
- Key leader meetings
- PowRLine monthly newsletter
- Quarterly meetings
- Startup daily meetings
- Monthly plant meetings
- Voice (weekly newsletter)
- Year-end meetings





Dedicated to Education

Scholarships

- Started in 1983
- Over the past 26 years:
 - a total of 638 scholarships
 - to 335 unique students
 - representing 27 unique high schools
 - going to 62 unique colleges





Teacher Internships

- A total of 36 teachers through the program since 2006
- Participation from the following schools:
 - Albia
 - Knoxville
 - Pella Community
 - Pella Christian
 - Lynnville-Sully
 - Oskaloosa
 - PCM
 - Twin Cedars





Employee Development

- Vermeer University – Internal Training
 - Increasing the capability of our people through training and development solutions which are aligned to achieve organizational objectives.
- 205 class sessions held in 2009
- 1,933 unique individuals trained in 2009
- 58 unique course offerings currently available

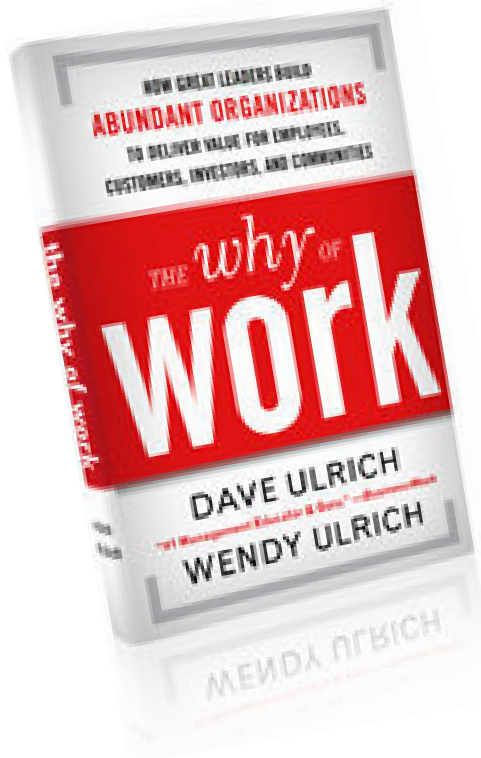


Employee Development

- Vermeer University – External / Service Training
- On-site factory-sponsored service training schools
 - 6 held in 2009
 - 108 dealer service technicians trained
- Regional factory-sponsored service training schools
 - 57 service technicians trained from four unique dealerships
- Webinars
 - 11 held in 2009
 - 308 service technicians trained
- E-Learning courses
 - 7 published in 2009



Treasure Your Most Important Asset



- “In hard times concentrate on bringing order, integrity, purpose out of chaos.”
- “In lean and prosperous times meaning is shaped or dissipated.”
- “Leaders are meaning makers ... set direction that others aspire to.”
- “Leaders must create a direction for the organization that is charged with meaning which resonate not only with minds and hands but also with the hearts of those they lead.”



Questions?

Thank you!



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