

KUKA Financial results | Q1/2010

May 11, 2010



Summary financial results Q1/10

Highlights – Q1/10 promising start to 2010

- **Orders received** increased 23.4% to € 263.8 million
 - Strong growth at Robotics (+27.3%) and Systems (+24.7%)
 - Book-to-bill ratio up to 1.26
 - Automotive recovers significantly – general industry on growth track
- **EBIT:** Both divisions positive
 - Group only slightly negative at € -1.9 million
 - Operating profit in Robotics (€+0.5 million) and Systems (€+1.9 million)
 - Goal: Further decrease of EBIT breakeven level until YE10
- **Free cash flow** positive: € 4.6 million (Q1/09: € -42.3 million)
- **Management team established** – Till Reuter confirmed as permanent CEO
- Outlook 2010: mid single-digit sales growth and positive operating EBIT¹

1) Before any special charges



Strategy

Management priorities




- 1 Expand KUKA's innovation and technology leadership
 - Expand general industry business
 - Secure top-position in automotive
 - Establish Advanced Robotics section
- 2 Expand BRIC¹ business
- 3 Continuing of cost cutting program

Increase
profitable growth

1) BRIC: Brazil, Russia, India and China

Strategy

Goals and measures

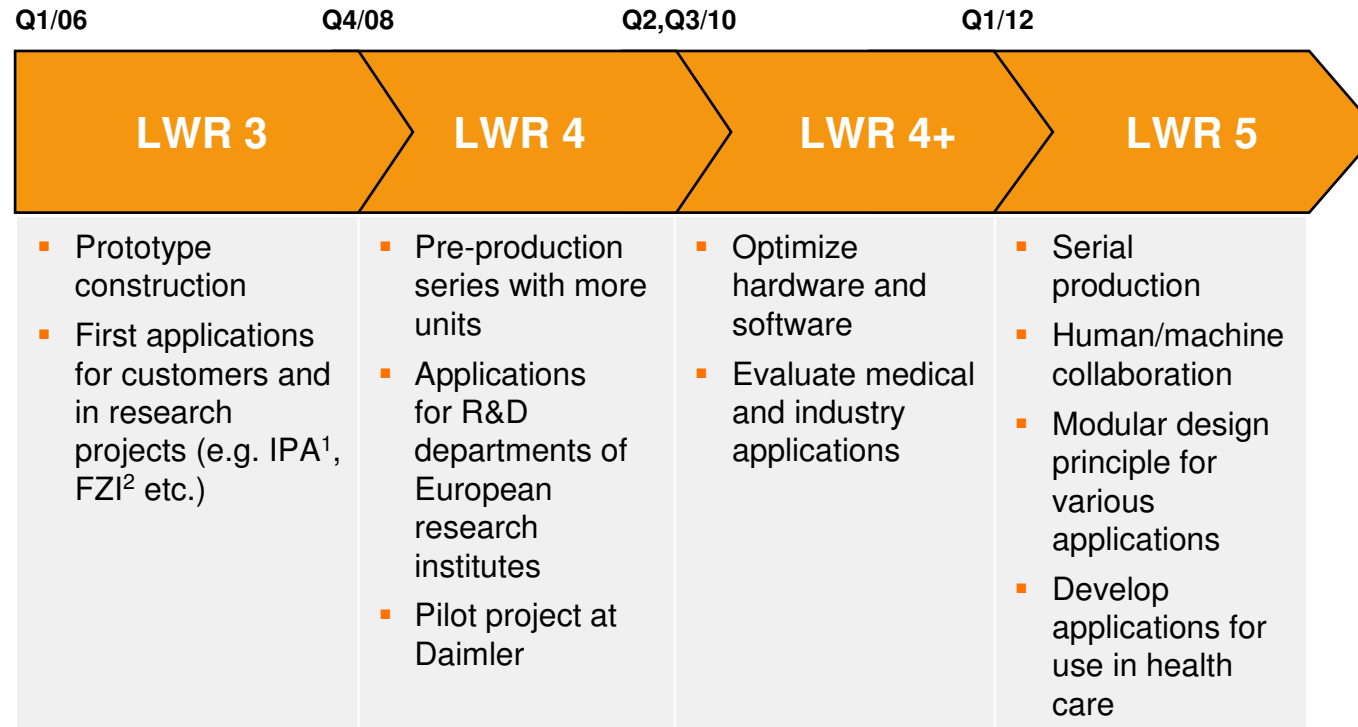
	Systems	Robotics	
		Advanced Robotics	Industrial Robotics
			
Goals	<ul style="list-style-type: none"> ▪ Growth in BRIC countries ▪ Return to profitability at the loss making Augsburg location 	<ul style="list-style-type: none"> ▪ Product development for Robotics and Systems ▪ Develop medical robotic and high-tech surgery systems (market volume USD 3.3 billion¹ until 2014) 	<ul style="list-style-type: none"> ▪ Securing automotive and expand general industry
Focus	<ul style="list-style-type: none"> ▪ Growth with new and existing customers in BRIC countries ▪ Capacity adjustments in Augsburg 	<ul style="list-style-type: none"> ▪ Establish Advanced Robotics ▪ Develop light weight robot 	<ul style="list-style-type: none"> ▪ Market launch of new generation of industrial robots (improve efficiency and benefits for customers)

1) BCC Research 2009



Strategy

Development stages of lightweight robot (LWR)



1) IPA: Fraunhofer Institut für Produktionstechnik und Automatisierung

2) FZI: Forschungszentrum Informatik



Strategy

Applications for strong growing health care market



Outlook

Positive operating EBIT expected in 2010

Summary

- Order backlog creates **high visibility** and confidence for 2010
- Successful extension of **financing** until March 31, 2012¹ creates security
- Build up of "**Advanced Robotics**" to penetrate highly profitable markets (e.g., health care)
- **Automatica (June 8-11, 2010)**: presentation of new industrial robots
- Long-term: transform KUKA from an automotive industry supplier to a technology company

Outlook 2010

- **Economic recovery** and turnaround in sight
- Recurring cost reductions of € 65-70² million planned in 2010
- Sales revenues: mid single-digit growth rate
- **Operating result (EBIT) before special charges: positive**

1) Conditions: equity raising and refinancing of the convertible bond until August 31, 2011

2) Cumulated 2009 and 2010



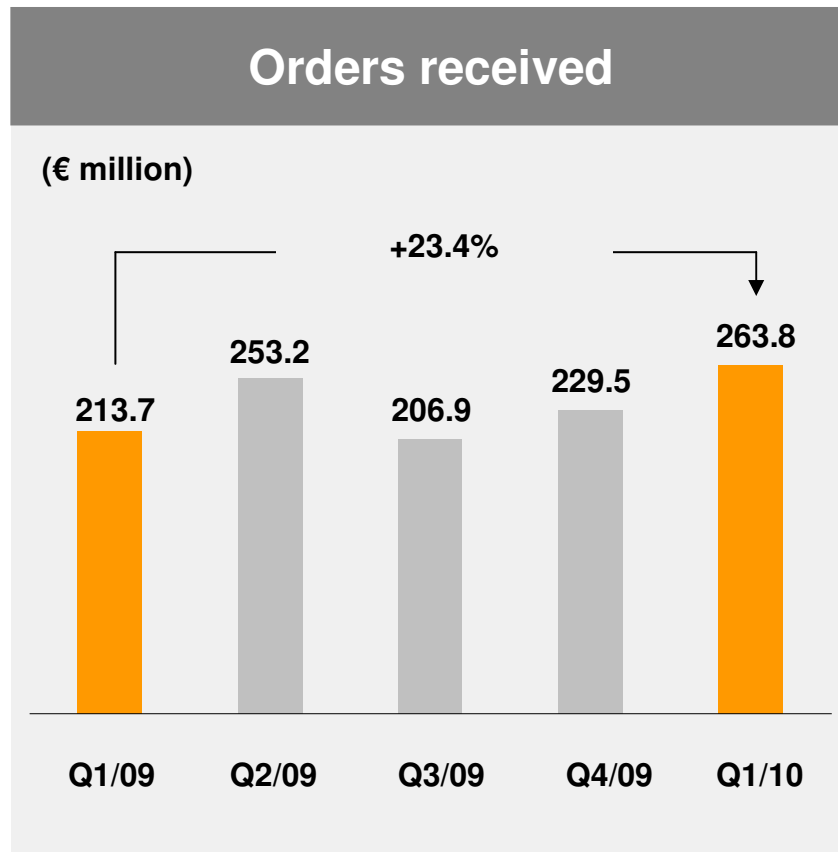
Financial results Q1/10

Key figures

(€ million)	Q1/10	Q1/09	Delta (%)
Orders received	263.8	213.7	23.4
Order backlog (Mar. 31)	606.7	539.7	12.4
Sales revenues	209.1	227.0	-7.9
Gross margin	38.6	51.1	-24.5
in % of sales revenues	18.5	22.5	-
Operating profit (EBIT)	-1.9	0.2	-
in % of sales revenues	-0.9	0.1	-
Earnings after taxes	-11.0	-1.8	-
Net debt (Mar. 31)	42.3	95.2	-55.6
Free cash flow	4.6	-42.3	-
Capital expenditures	1.9	4.6	-58.7
Employees (Mar. 31)	5,799	6,124	-5.3

Financial results Q1/10

Substantially higher orders received



Development

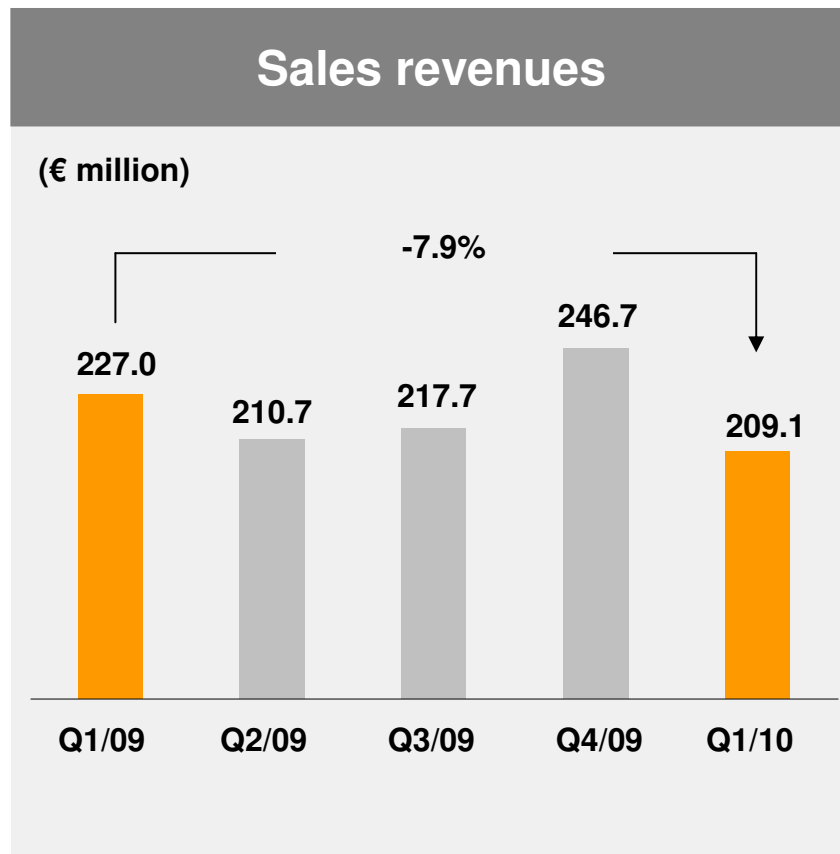
- Highest orders received since Q3/08
- Strong economic recovery supports orders received (+23.4 %)
- Higher foreign customer demand for cars leads to higher investments by OEMs
- Book-to-bill ratio¹ improved substantially from 0.94 (Q1/09) to 1.26 (Q1/10)

1) Orders received divided by sales



Financial results Q1/10

Sales still down slightly in Q1/10



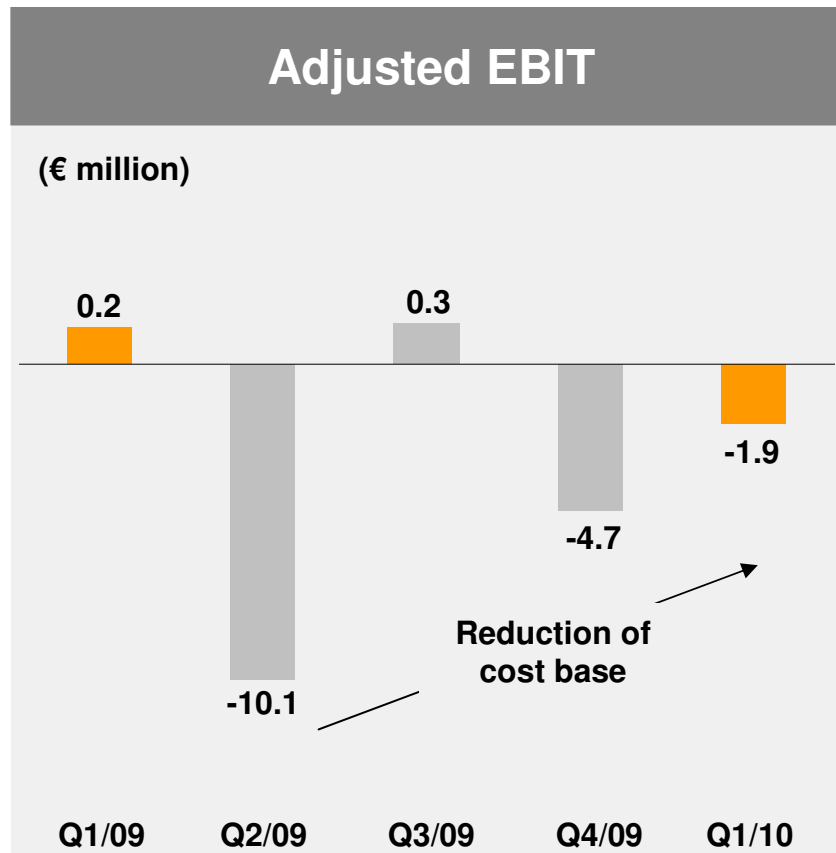
Development

- Growing orders received will support sales revenues in the coming quarters
- Order backlog increased by 12.4% to € 606.7 million



Financial results Q1/10

EBIT breakeven nearly achieved



- Development**
- EBIT loss reduced significantly
 - Robotics (€+0.5 million) and Systems (€+1.9 million) EBIT positive in Q1/10
 - Overhead costs¹ down from € 50.9 million (Q1/09) to € 40.5 million (Q1/10)

1) Total: sales, R&D, general administration costs and other operating income/expenses



Financial results Q1/10

Income statement

(€ million)	Q1/10	Q1/09	Delta (%)
Sales revenues	209.1	227.0	-7.9
Cost of sales	-170.5	-175.9	3.1
Gross profit	38.6	51.1	-24.5
Selling expenses	-18.3	-20.6	-11.2
Research and development expenses	-6.9	-9.1	-24.2
General and administration expenses	-16.1	-18.5	-13.0
Other operating income and expenses	0.8	-2.7	-
Earnings from operating activities (EBIT)	-1.9	0.2	-
Net interest income/ expenses	-5.0	-1.3	-
Earnings before tax	-6.9	-1.1	-
Taxes on income	-4.0	-0.7	-
Net result	-11.0	-1.8	-



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