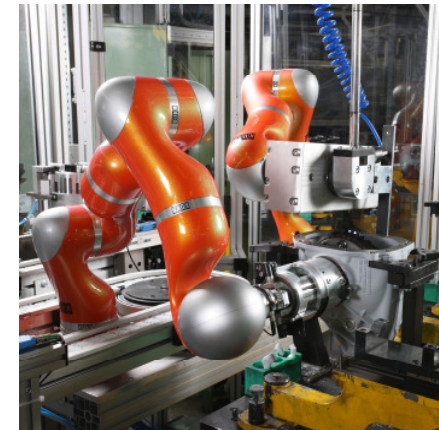
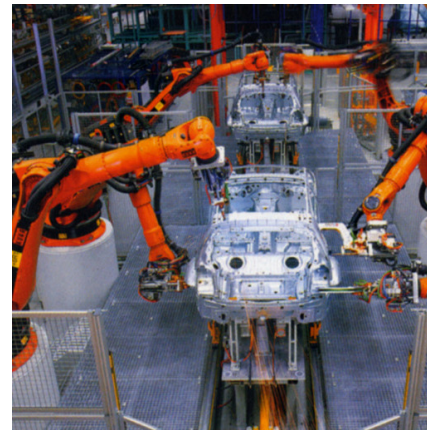


**KUKA AG**

**DVFA Analysts Conference  
Frankfurt**

**March 16, 2010**



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## Agenda

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- Summary 2009
  - Financial results 2009
  - Strategy and outlook
- 



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## Agenda

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- Summary 2009
- 



## KUKA Road Map – results of the new management in the first 6 months

### 1. „Growth initiatives“ strategy launched

- Clear vision for KUKA's future development
- KUKA's future market projects bundled under „Advanced Robotics“
- First successful industrial application of lightweight robot at Daimler

### 2. Efficient management structure implemented

- Lean and efficient management structure with two executives each at Robotics and Systems
- CTO<sup>1</sup>: Consolidation of technology projects and solutions in new areas
- CMO<sup>2</sup>: Consolidation and strengthening of distribution channels for automotive and GI<sup>3</sup>

### 3. Stability through refinancing

- Signing of the senior facilities agreement with extension until March 31, 2012
- € 146 million revolving cash facilities and € 190 million bank guarantees

### 4. Cost reduction program intensified

- About € 70 million saved in 2009
- Cost reduction program defined for 2010 and in place

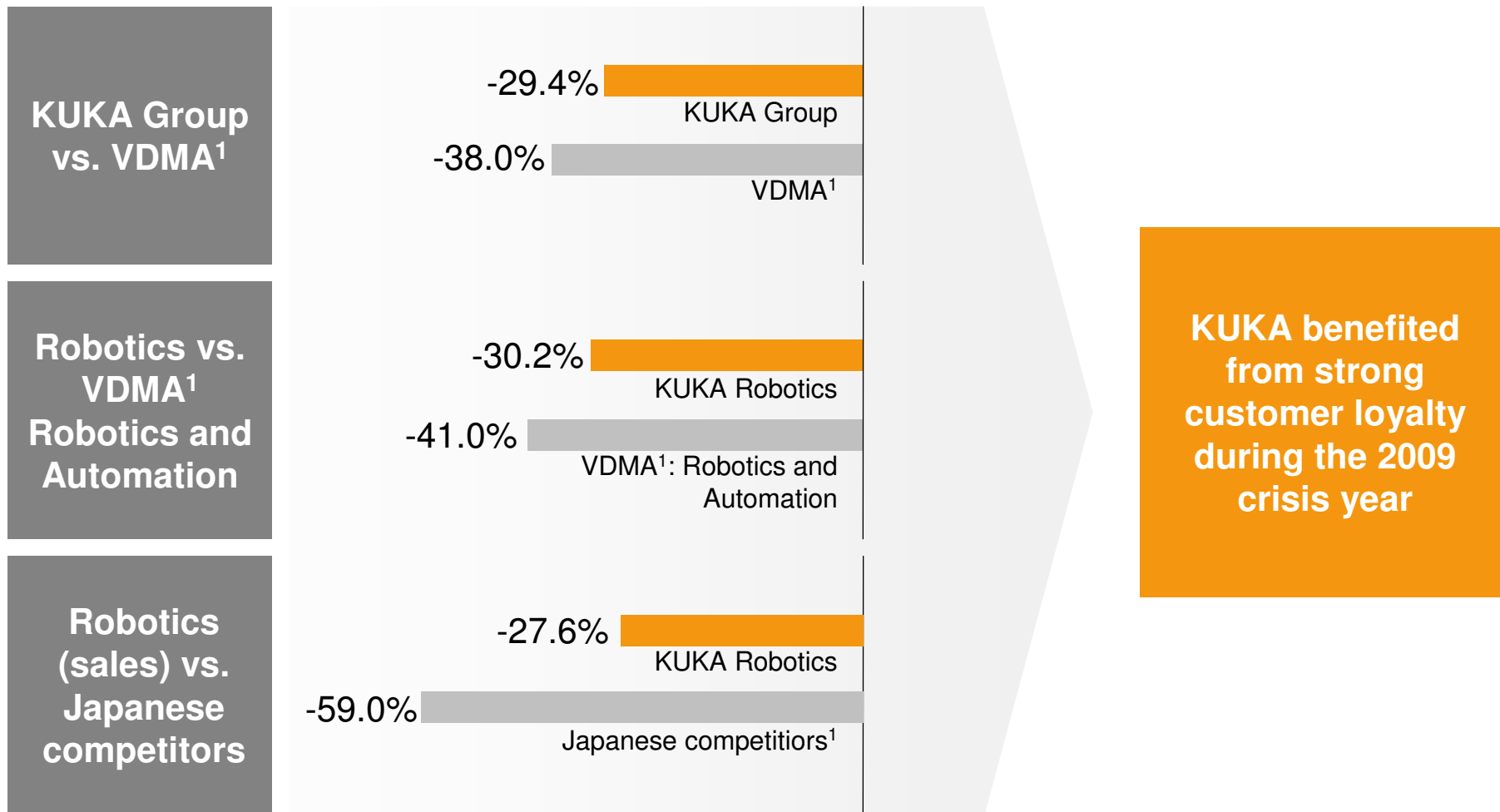
1) CTO: Chief Technology Officer

2) CMO: Chief Marketing Officer

3) GI: General Industry



## Development of orders received in 2009 - KUKA outperforms market



1) JARA: Japan Robotic Industry Association

2) Verband Deutscher Maschinen- und Anlagenbau



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## Agenda

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- Financial results 2009
- 



## Key figures 2009

(€ millions)	FY09	FY08	Delta
Order received	903.3	1,279.9	-29.4%
Order backlog (Dec. 31)	543.5	542.3	0.2%
Sales revenue	902.1	1,266.1	-28.7%
EBITDA	-29.8	78.0	-
Operating result (EBIT)	-52.9	52.0	-
Operating profit (EBIT) before extraordinary items	-14.3	72.8	-
Cash flow from operating activities	4.8	-61.2	-
Free cash flow	-22.2	-166.9	-
Employees (Dec. 31)	5,744	6,171	-6.9%
Temporary workers (Dec. 31)	584	1,008	-42.1%



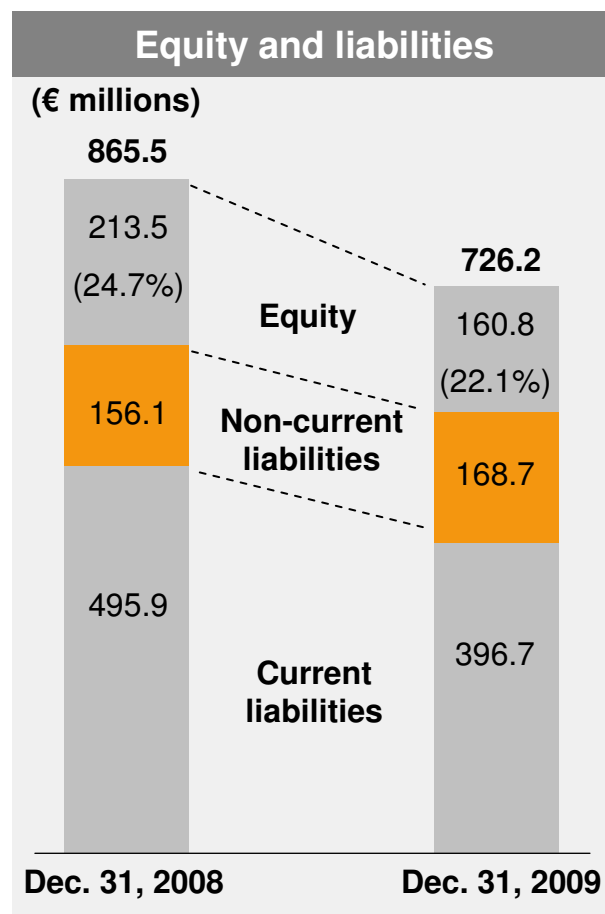
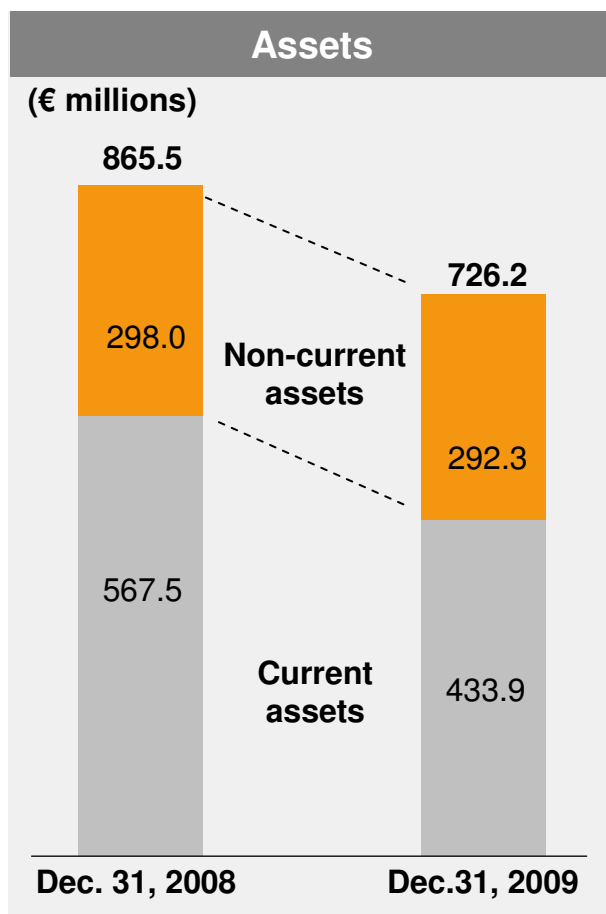
## Income statement 2009

(€ millions)	2009	2008	Delta
Sales revenue	902.1	1,266.1	-28.7%
Costs of sales	-742.8	-1,005.3	-26.1%
Gross income	159.2	260.8	-38.9%
Selling expenses	-84.8	-91.7	-7.6%
Research and development exp.	-35.6	-33.7	5.6%
General and administrative expenses	-77.7	-81.9	-5.1%
Other operating income/ expenses	-14.1	-1.5	-
Operating result (EBIT)	-52.9	52.0	-
Financial results	-11.5	5.0	-
Earnings before tax	-64.4	47.0	-
Taxes on income	-11.4	-16.4	-
Net income/ loss	-75.8	30.6	-





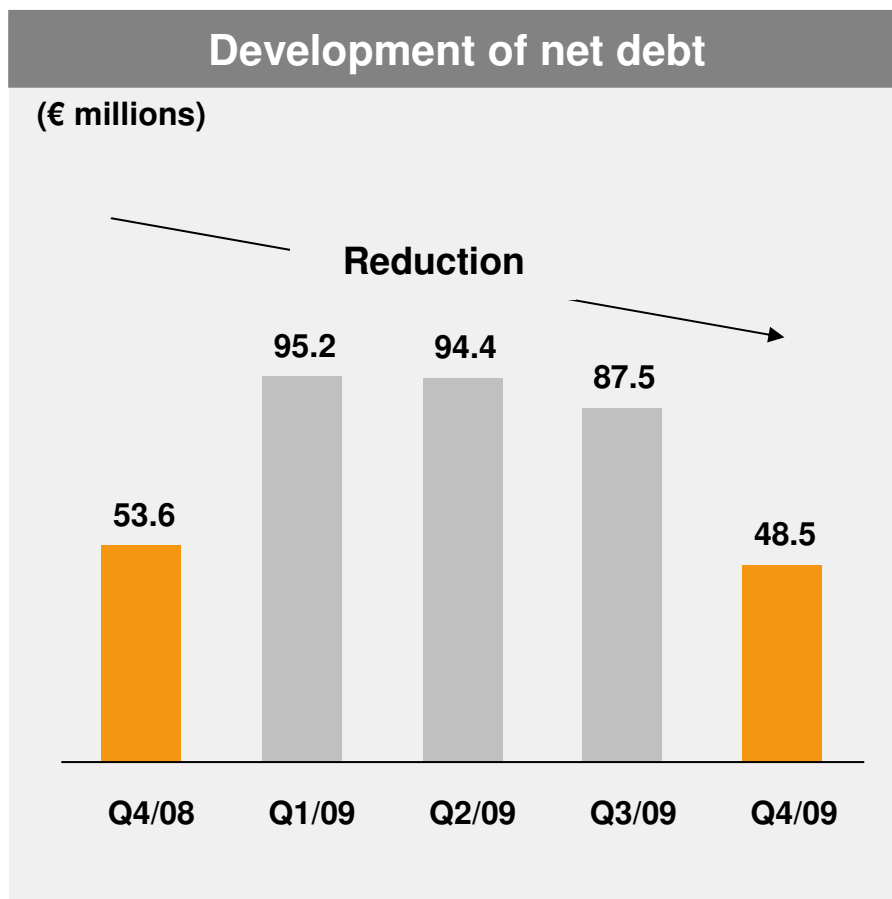
## Balance sheet 2009



- Equity ratio declined from 24.7% to 22.1%
- Successful working capital management:
  - Significantly reduction of inventories
  - Accelerated reduction of receivables from customers
  - Reduced trade payables



## Financing secured until March 31, 2012



- ### Financing framework
- Financing agreement<sup>1</sup>:
    - € 146 million revolving cash facilities<sup>2</sup> and € 190 million bank guarantees
    - Capital injection<sup>3</sup> of € 23 million required; of which € 15 million already committed
  - Goal: new structure of equity and liability side implemented by Q2/11

1) After capital injection and refinancing of convertible bond

3) Capital increase or subordinated debt

2) Including € 31 million from KfW



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## Agenda

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- 
- Strategy and outlook
- 



## Drivers of profitable growth defined - KUKA strengths

<b>Leading market position</b>	<ul style="list-style-type: none"><li>▪ Robotics: Market leader in automotive in Europe and No. 3 worldwide</li><li>▪ Systems: Leading in automotive worldwide</li></ul>
<b>Technology</b>	<ul style="list-style-type: none"><li>▪ Defining industry standards</li><li>▪ Process integration expertise</li><li>▪ Product portfolio from single component to completely automated production lines</li></ul>
<b>Customer loyalty</b>	<ul style="list-style-type: none"><li>▪ Experience in robot-based automation since the "dawn of robotics"</li><li>▪ 30 years experience of automation in automobile industry</li><li>▪ Many years of close cooperation with many TOP customers in target sectors</li></ul>

**Strengths drive sustainable and profitable growth**



## Systems growth initiative



### Sales growth

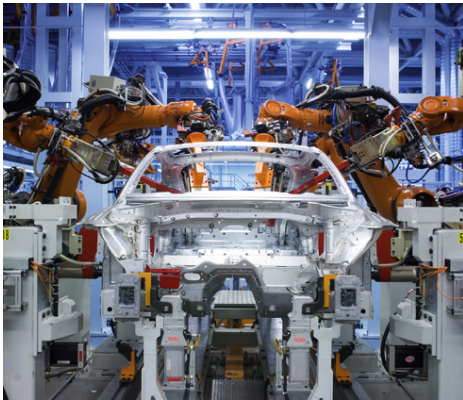
- Global presence and supply capability
- Assessment of strategic options in general industry segment
- Expansion into BRIC-countries
- Consolidation and strengthening of distribution channels for automotive and general industry
- Set up of assembly systems
- Profitability before sales growth

### Sustainable profitability improvement

- Implementation of the strategic supply chain and reduction of the associated cost structure
- Global sourcing from low cost countries
- Internal committed profit targets (EBIT) with portfolio measures
  - Automotive: 5%
  - General industry: 8%



## Robotics growth initiative



### Sales growth

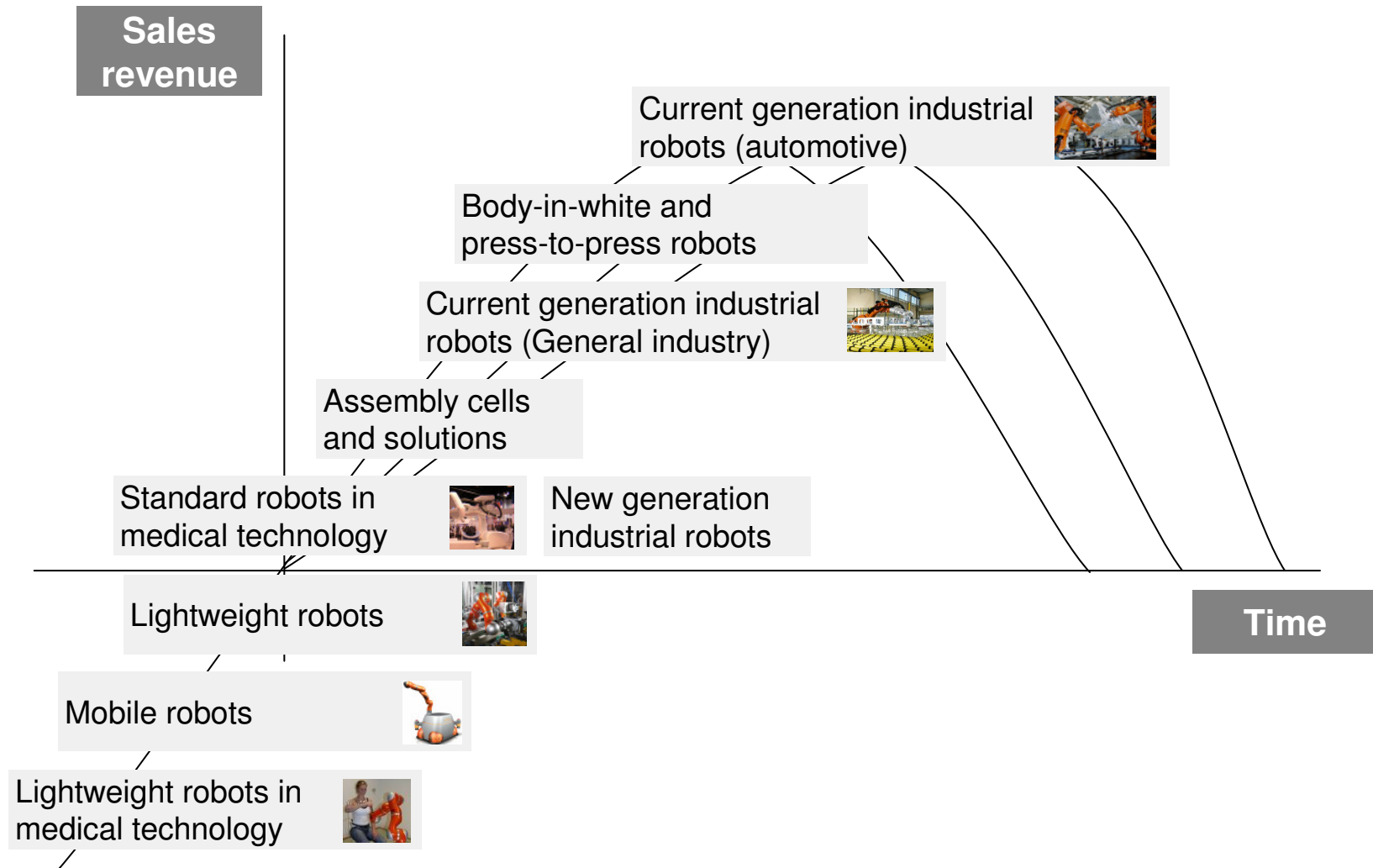
- USA: More systems partners and expansion of general industry
- BRIC countries: Expansion of strategic partnerships and key segments of general industry
- Expand value-added chain in China
- New generation of industrial robots (mechanics and controls)
- Consolidation and strengthening of distribution channels for automotive and general industry

### Sustainable profitability improvement

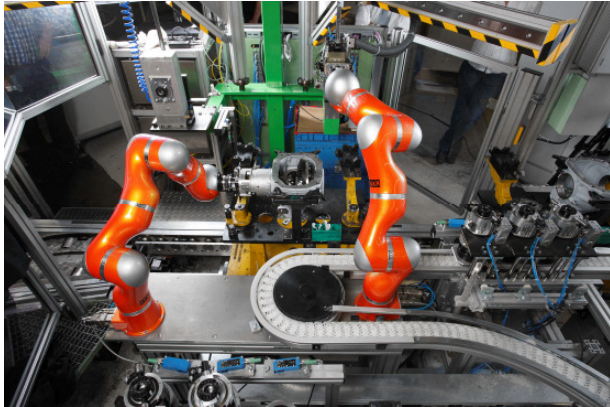
- Increase efficiency and value creation for our customers with the new generation industrial robots
  - Increased added value for customers
  - Adjustment of product portfolio possible
- Systematical implementation of design to cost



## Growth initiative – A complete product road map for the future



## Advanced Robotics growth initiative

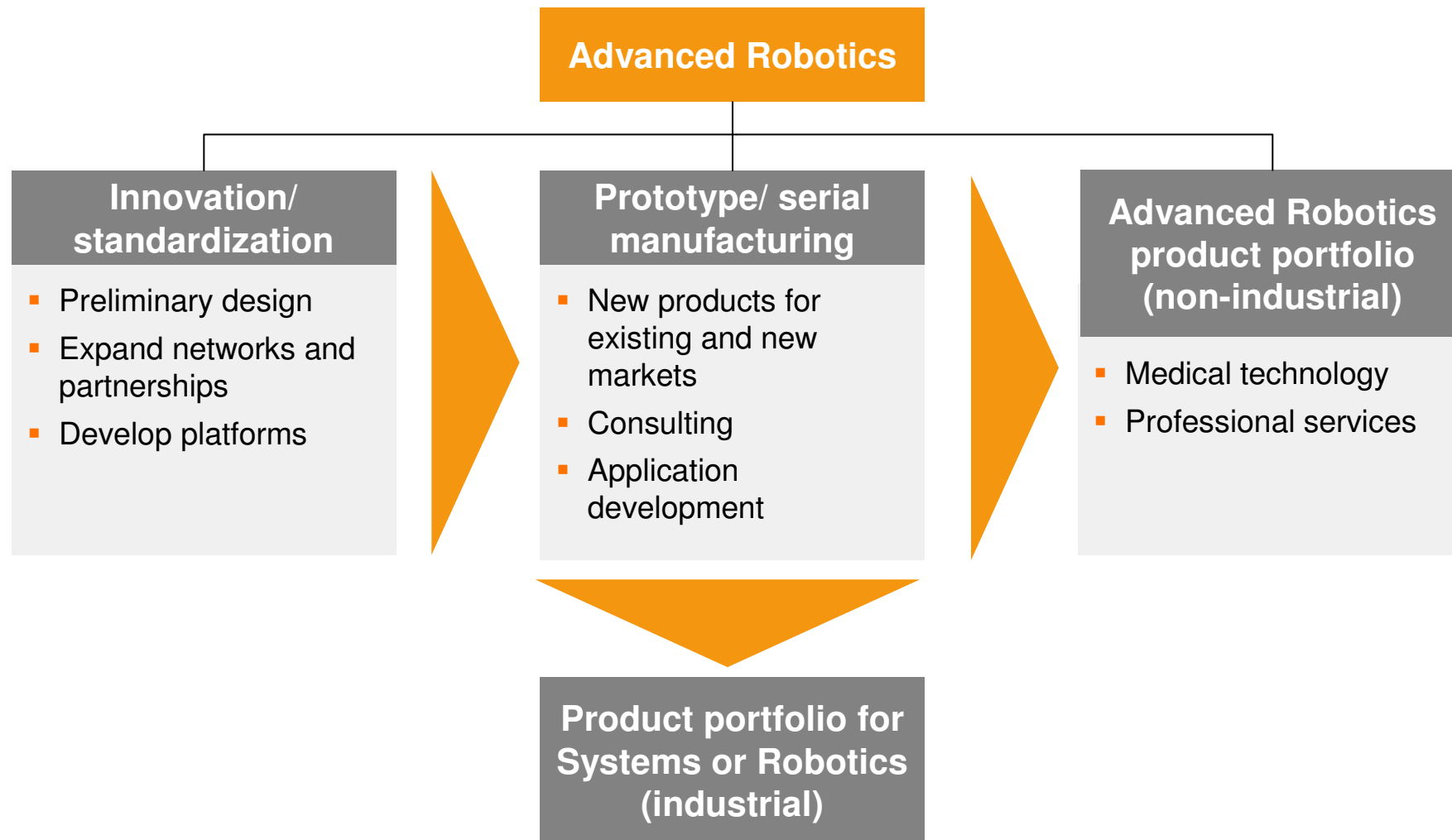


- Consolidation of KUKA's future technology projects
- Goal: Secure KUKA's position as a technological leader
- Basis: lightweight robot with core applications sensitivity and collaboration
- Targeted markets: medical technology and professional services (e.g. assembly)
- Advanced Robotics opens the door to highly profitable markets of the future
- Bernd Liepert to head Advanced Robotics



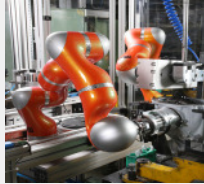







## Advanced Robotics drives technology development

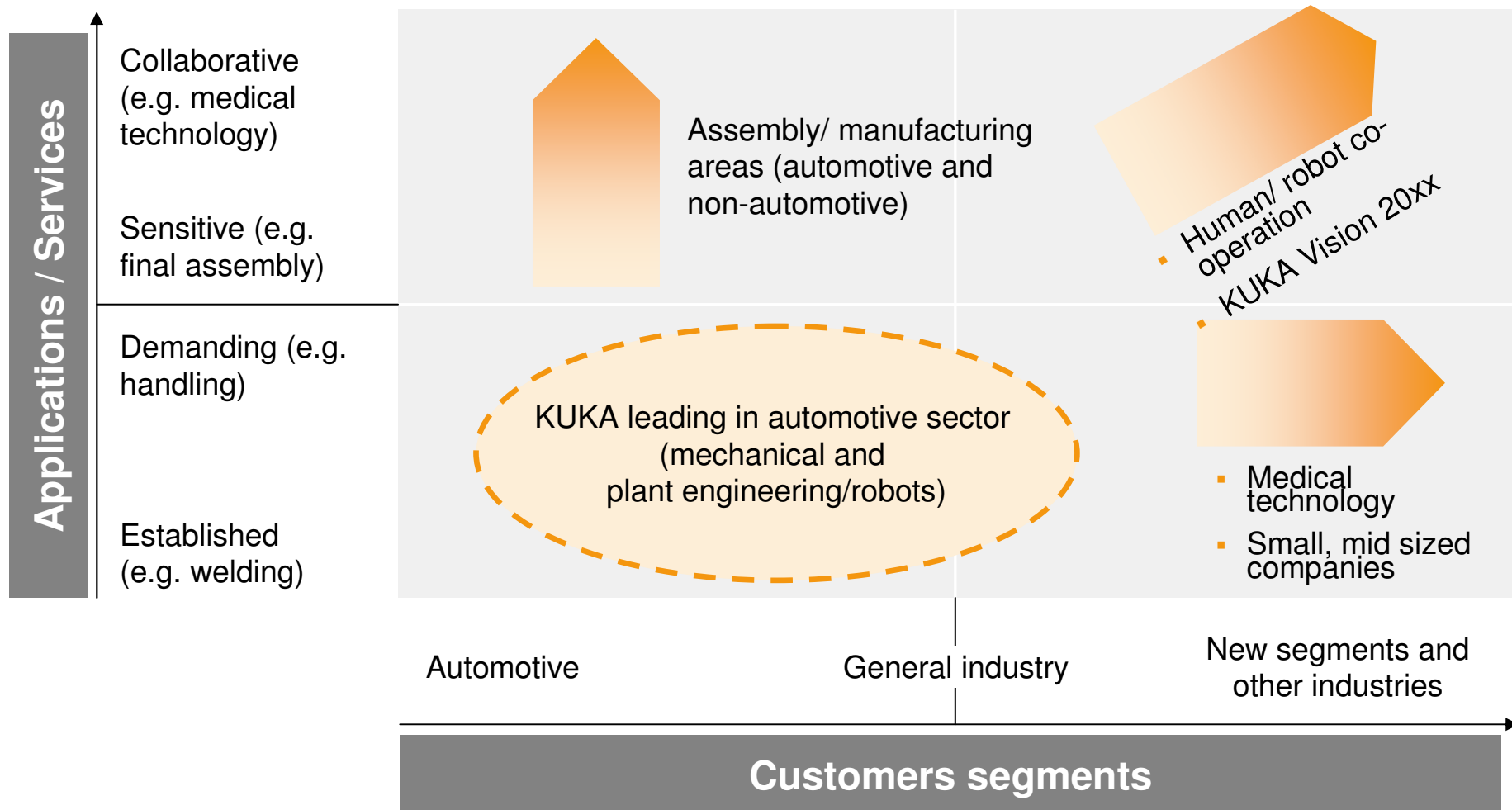


## Management priorities

	Systems		Robotics			
			Advanced Robotics		Industry Robotics	
	Automotive 	General industry 	Professional services 	Medical technology 	Automotive 	General industry 
Goals	<ul style="list-style-type: none"> <li>Execution of cost cutting program</li> <li>Core segment automotive and expansion of final and component assembly</li> <li>Growth with existing customers in new regions</li> </ul>		<ul style="list-style-type: none"> <li>Build up of Advanced Robotics</li> <li>Focus on R&amp;D expenses</li> <li>Expansion of product pipeline</li> </ul>		<ul style="list-style-type: none"> <li>Core segment automotive</li> <li>Expansion in general industry</li> <li>Launch new generation of industrial robots</li> <li>Growth with existing customers in new regions</li> </ul>	
Margins	<ul style="list-style-type: none"> <li>Target margin: 5%</li> </ul>		<ul style="list-style-type: none"> <li>Target margin: &gt;10%</li> </ul>		<ul style="list-style-type: none"> <li>Target margin: 10%</li> </ul>	



## Transformation to a technology company



## New management structure precisely aligned with strategy

### Executive Board



**Dr. W. Bickel**  
(COO)



**Dr. T. Reuter**  
(CEO)



**S. Schulak**  
(CFO)

### Group Executives



**L. Drake**  
(CEO Systems)



**B. Liepert**  
(CTO)



**Hr. Sträb**  
(CMO)

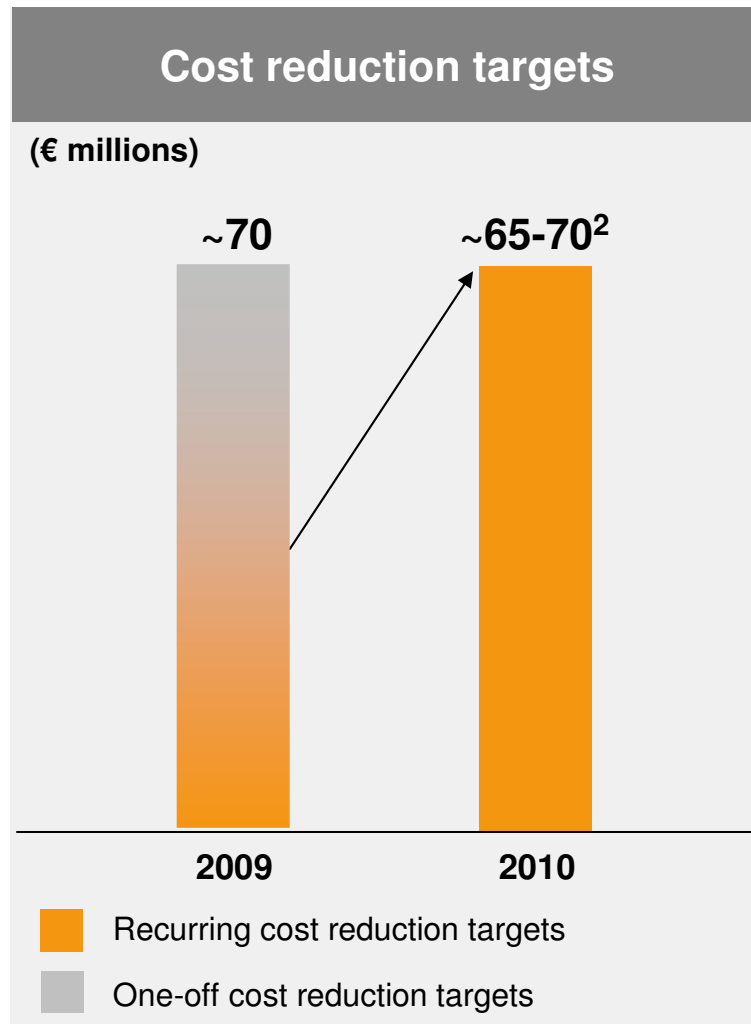


**M. Gundel**  
(CEO Robotics)

- Lean and efficient management structure installed
- Group Executives:
  - CEOs of operating divisions
  - CTO: Consolidation of technology projects and solutions in new areas
  - CMO: Consolidation and strengthening of distribution channels for automotive and general industry



## Cost reduction target - increase of recurring savings in 2010



- In 2009 costs<sup>1</sup> were cut by about € 70 million

- Increase of recurring cost reduction targets to about € 65-70<sup>2</sup> million for 2010:

### Systems

- Global sourcing from low cost countries
- Standardization and common parts concept for projects
- Efficient structures and processes

### Robotics

- Design to cost
- Separate R&D activities by market, customer and trends

- Provisions for implementation of cost reduction measures in 2010 largely accounted for in 2009

1) Compared to cost base in 2008

2) Cumulated 2009 and 2010



## Outlook 2010

	2010
Sales revenues	Mid single-digit growth rate
Operating <sup>1</sup> result (EBIT)	Positive

1) Before special charges



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## Disclaimer

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