

KUKA



KUKA AG
Presentation
Financial Results 2010

March 16, 2011



Agenda

- Highlights and summary 2010
 - Financial results 2010
 - Development and outlook
-



Agenda

- Highlights and summary 2010
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Highlights 2010

Promise and delivery

1. Return to profitable growth

- Sales revenue +20% and orders received +27% in 2010
- EBIT turnaround to € +24.8 million (2009: € -52.6 million)
- Cost savings of € 69 million achieved by YE2010



2. Investment in growth

- New unit KUKA Laboratories (Advanced Robotics) founded
 - Focus on development of the lightweight robot and develop the health care market
- Market launch of new industrial robot generation “QUANTEC”
- BRIC locations expanded
 - Number of employees rises by 39% to 372 and share in orders received at 17%



3. Long-term financial strength secured

- Successful corporate bond issue with a volume of € 202 million
- New syndicated loan negotiated to run until 31 March 2014
- 4.7 million new shares successfully issued in June 2010



Highlights Q4/10 and 2010

Return to profitable growth

- **Orders received** up 27% to € 1.14 billion
 - Robotics reached an all-time high with € 486 million

- **Sales revenue** rose continuously in 2010; +20% to € 1.08 billion
 - Systems back up to 2008 levels with € 219 million in Q4/10

- Turnaround: **EBIT** € +24.8 million (2009: € -52.6 million) and **EBIT margin** +2.3% (2009: -5.8%)

- **Earnings after taxes** significantly improved from € -75.8 million to € -8.6 million (2009)
 - Positive earnings after taxes of € 1.9 million in Q4/10

- **Guidance 2010:**

	Promised	Achieved
▪ Sales revenue:	> €1 billion	Result: € 1.08 billion
▪ EBIT:	€ 10-20 million	Result: € 24.8 million



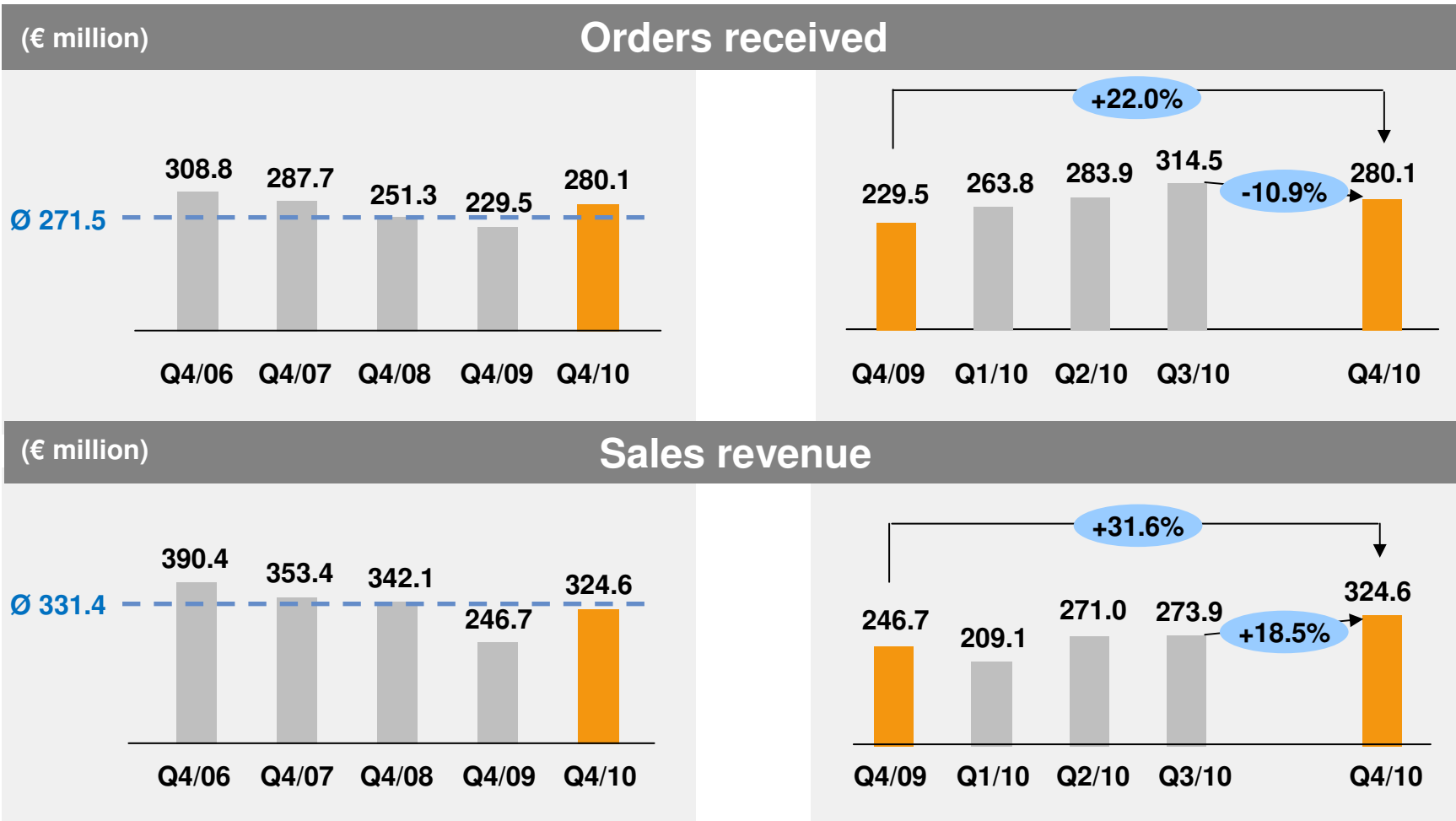
Agenda

- Financial results 2010
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Financial results

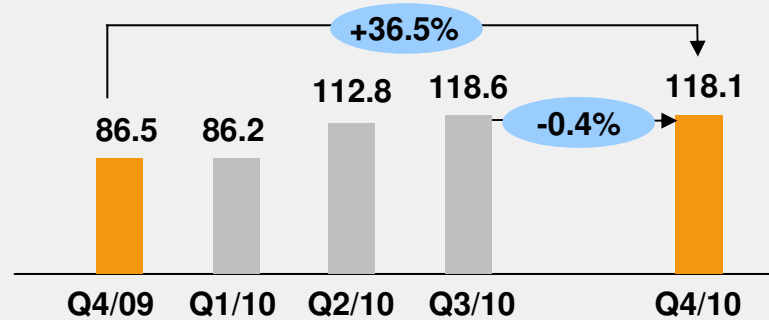
Significant rise in new orders



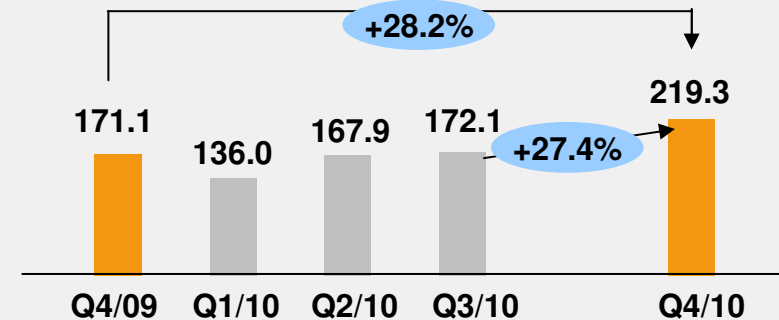
Robotics and Systems

Well on track to achieve target margins

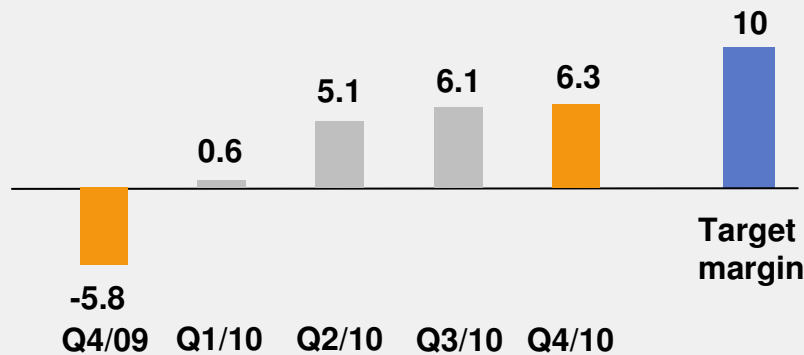
(€ million) Robotics sales revenue



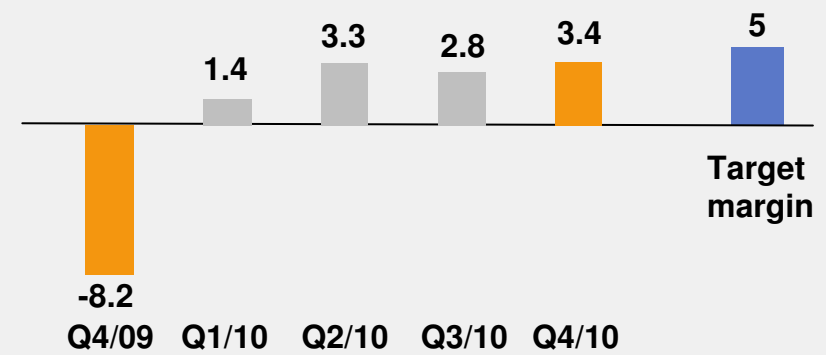
(€ million) Systems sales revenue



(in %) Robotics EBIT margin



(in %) Systems EBIT margin



Financial results

Key figures Q4/10 and FY2010

€ million	Q4/10	Q4/09	Delta	2010	2009	Delta
Order received	280.1	229.5	22.0%	1,142.3	903.3	26.5%
Sales revenues	324.6	246.7	31.6%	1,078.6	902.1	19.6%
Gross profit	60.9	32.4	88.0%	204.0	159.2	28.1%
in % of sales revenues	18.8	13.1	-	18.9	17.7	-
EBITDA	16.6	-19.8	-	47.0	-29.5	-
in % of sales revenues	5.1	-8.0	-	4.4	-3.3	-
EBIT	11.5	-24.6	-	24.8	-52.6	-
in % of sales revenues	3.5	-10.0	-	2.3	-5.8	-
Capital expenditure	-7.4	-11.2	-33.9%	-15.4	-27.2	-43.4%
Employees (12/31)	5,990	5,744	4.3%	5,990	5,744	4.3%
Cash Earnings	12.7	-29.5	-	23.4	-43.7	-
Cashflow from operating activities	14.3	22.5	-	-24.8	4.8	-
Free Cashflow	8.4	11.5	-	-37.3	-22.2	-



Financial results

P&L Q4/10 and FY2010

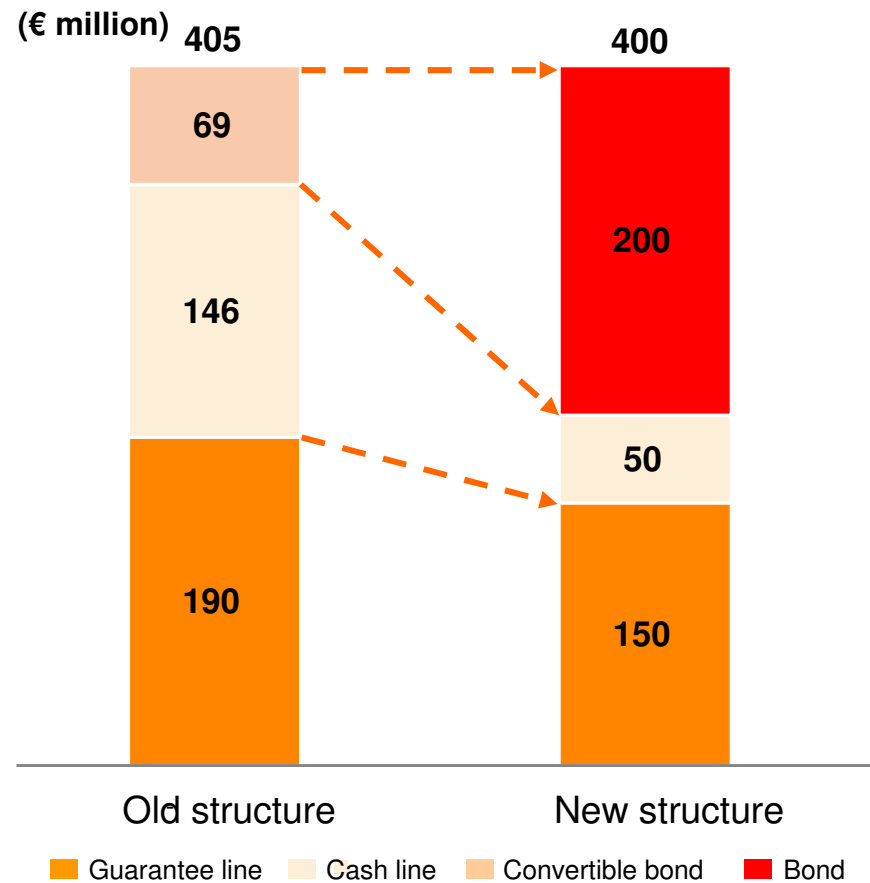
€ million	Q4/10	Q4/09	Delta	2010	2009	Delta
Sales revenues	324.6	246.7	31.6%	1078.6	902.1	19.6%
Cost of sales	-263.7	-214.3	23.1%	-874.6	-742.8	17.7%
Gross profit	60.9	32.5	87.3%	204.0	159.2	28.1%
Selling expenses	-27.4	-25.8	6.2%	-86.9	-84.8	2.5%
Research and development costs	-7.4	-8.1	-7.8%	-29.5	-35.6	-16.9%
General and administrative expenses	-18.8	-22.3	-15.6%	-76.3	-77.7	-1.8%
Other operating income and expenses	0.2	-1.1	-	6.2	-14.1	-
Earnings from operating activities	7.5	-24.7	-	17.5	-52.9	-
Reconciliation to earnings before interest and taxes (EBIT)						
Financing costs included in operating results	3.9	0.1	-	7.2	0.3	-
Earnings before interest and taxes (EBIT)	11.5	-24.6	-	24.8	-52.6	-
Financial results	-6.9	-8.0	-	-22.0	-11.5	-
Earnings before tax	0.6	-32.9	-	-4.5	-64.4	-
Taxes on income	1.4	-4.6	-	-4.0	-11.4	-
Net result	1.9	-37.5	-	-8.6	-75.8	-



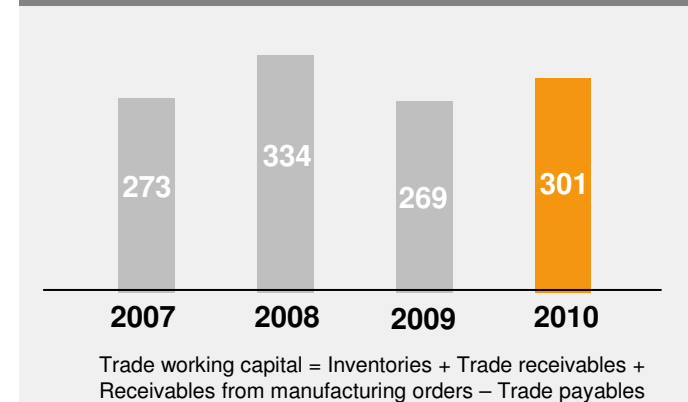
Financial results

Financing structure and trade working capital

Financing structure



Trade working capital



- Expansion of trade working in H1/11 due to strong demand
- Medium-term target of around 30% set for equity ratio



Agenda

- Development and outlook
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Robotics

Focus and development 2011/2012



Outlook 2011/2012

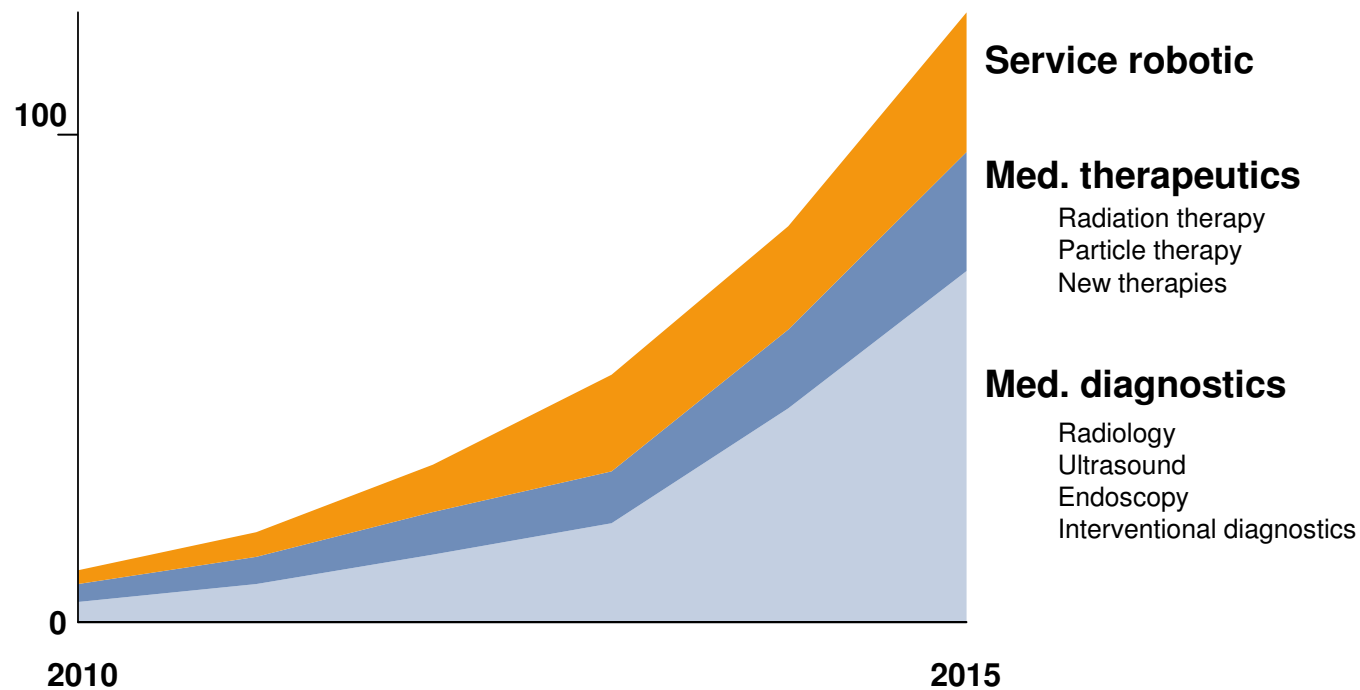
- IFR¹ expects annual growth of 10% in 2011 and 2012 for the global robot market
- Sales of new generation of industrial robots QUANTEC/ KR C4 controller started
- Introduction of QUANTEC/ KR C4 controller also planned for other payload categories
- Focus on General Industry: planned growth of 20%
- Increase in sales share in China due to new management and expansion of assembly capacity
- On track to achieve target EBIT margin of 10%



Robotics - KUKA Laboratories / Advanced Robotics

Focus and development 2011-2015

(€ million) **Planned sales development 2010-2015**

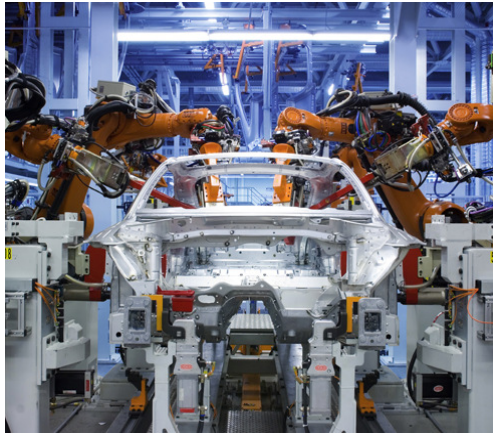


- KUKA Laboratories started
- Target: Series production of lightweight robot from 2012
- Focus: Health care markets and Service robotic



Systems

Focus and development 2011/2012



Outlook 2011/2012

- Number of starts of production for new car models¹⁾:
 - 310 in 2010
 - 376 in 2011
 - 378 in 2012
- Global automotive production expected to rise to 75 million in 2011 and 81 million in 2012 (PWC)
- Focus on business development in BRIC, particularly in China and Brazil
- On track to achieve target EBIT margin of 5%



Outlook

Guidance 2011 and 2012

Development and measures

- Market segments of Robotics and Systems to grow significantly in 2011 and 2012
- Increased profitability due to higher capacity utilization, QUANTEC and full year effect of cost reduction program
- Focus: Increase in sales share from the General Industry segment
- Regional expansion in BRIC, particularly in China and Brazil
- Transformation to a technology company requires higher R&D expenditure, e.g. for series production of the lightweight robot and positioning in the health care segment

	2011	2012
Sales revenue	> € 1.15 billion	> € 1.25 billion
EBIT margin	> 5%	~ 6%



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Reconciliation of EBIT

€ million	Q1/09	Q2/09	Q3/09	Q4/09	FY09	Q1/10	Q2/10	Q3/10	Q4/10	FY10
Earnings from operating activities	0.2	-23.2	-5.2	-24.7	-52.9	-1.9	5.3	6.6	7.5	17.5
Reconciliation to earnings before interest and taxes (EBIT)										
Financing costs included in operating results	0.0	0.1	0.1	0.1	0.3	0.0	1.4	1.7	3.9	7.2
Earnings before interest and taxes (EBIT)	0.2	-23.1	-5.1	-24.6	-52.6	-1.9	6.7	8.3	11.5	24.8

