ANNUAL PRESS CONFERENCE 2013/2014

Discussion partner

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CEO, KEBA AG

The topics:

- Business result for the 2013/2014 financial year (as at 31 March 2014)
- Focus on robotics / Industrial Automation Business Area
- Internationalization

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Automation by innovation.

KEBA with a 21 % increase in sales revenues – internationalization creates growth!

Robot control systems from Linz as a major success factor

Business result for the 2013/2014 financial year

During the past financial year (April 2013 to March 2014), the Linz-based KEBA Group generated sales revenues of EUR 181 million.
This represented an increase of 21 per cent from EUR 150.1 million to EUR 181.4 million. Half of this growth emanated from standard business, while the remainder derived from the acquisition of the Dutch automation company DELEM B.V.

As Gerhard Luftensteiner, the KEBA AG CEO explained at today's press conference in Linz: *"This increase in sales revenues can be traced to an excellent positioning in the Industrial Automation Business Area and further market share gains in Banking Automation. With our robotic developments, particularly the all-in-one controls for robot guidance, we have attracted international attention and established a new benchmark."*

The export quota rose to 81.5 per cent. Around 60 per cent of exports went to the EU (excluding Austria) and 21.5 per cent to the rest of the world.

Investments in research and development were raised from EUR 24.3 million to EUR 29.4 million.

FACTS	2013/2014	2012/2013	2011/2012	2010/2011
KEBA Group Sales in EUR m	181	150	130	111
Group employees	900	810	790	760
R&D	16%	16%	17 %	17%
Export	81.5%	80 %	83 %	84%
CBPM KEBA joint venture Sales EUR m / employee	40.5 / 526	38.5 / 440	24.7 / 419	14 / 316

(Employee = FTE)

Average growth in the past three years has amounted to 18 per cent (EUR 130, 150, 181 m respectively).

At present KEBA employs a workforce of around 900 employees worldwide (excluding the CBPM-KEBA joint venture).

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KEBA Group headquarters are located in Linz, Austria. The company has branches in eleven countries comprised by Germany, the Netherlands, Romania, Turkey, Italy, the Czech Republic, the USA, China, South Korea, Taiwan and Japan.

In 2013, company branches were added in South Korea and via the purchase of the DELEM B.V. automation company, in the Netherlands.

The CBPM-KEBA joint venture

During the past financial year, when translated, the sales of the CBPM-KEBA joint venture in China amounted to around EUR 40.5 million. The focus of this joint venture is on banking automation and it currently employs a workforce of 526.

From the Business Areas

"Our clear concentration on certain branches serves to further strengthen KEBA's competence and positioning. This branch emphasis facilitates the acquisition of a precise knowledge of the requirements of the respective markets and users, and the development of appropriately optimized solutions. It is this branch focus and internationalization that form the basis for our success."

Industrial Automation

In the Industrial Automation Business Area, KEBA offers specific branch solutions for robots, plastics and packaging machinery, and the sheet metalworking sector. Another inter-branch focal point is formed by mobile and stationary control systems for industrial applications.

KEBA's clientele in this business area include a large number of mechanical engineering concerns and robot producers that are global players and among the international market leaders.

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KEBA's robotic expertise

Robotics is a branch in which KEBA has already been active for more than two decades and enjoys an international reputation for its expertise with regard to the control of highly dynamic and complex applications.

Studies*) which were very recently presented for the first time at the Munich "Automatica", the international trade fair for robotics and automation, state that in 2013 the global market for robots demonstrated growth of around 12 per cent and that expansion of a similar size can also be anticipated in 2014. *)IFR statistical department

This increase was spread across all the economic regions with Asia leading the way and Europe and the USA following behind.

From a branch perspective, the main drivers are the automotive and the electrical/electronics industries with metal processing in close attendance and followed by the rubber and plastics sector, and the foods, pharmaceutical and cosmetic industries.

According to studies*) the latter are set to markedly increase their use of robots. In Germany, robot deployment in the foods and packaging industry will expand rapidly and possibly demonstrate above-average growth. In 2012 only 4 per cent of foods and packaging machinery was fitted with robots, but by the end of 2014 this figure is likely to be hovering around the 6 per cent mark (i.e. 50% higher). *) Quest Trendmagazin / Roboter in der N-G-Industrie

It is interesting that in combination Japan, the USA, the Republic of Korea and Germany constitute roughly 50 per cent of the global robot market. In addition, Japan also occupies a leading position in the robot manufacturing field.

The main automation drivers emanate from the following:

- The need for energy efficiency
- The fact that innovative materials such as carbon composites require new production methods
- The demand for higher productivity and quality created by international competition
- The requirement for increased production capacity as a result of growing consumer markets

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- The necessity for flexible automation generated by greater productivity in combination with shorter product life cycles
- The fact that the use of robots also improves workplace safety and quality (dangerous, dirty, strenuous work and tasks that are impossible for humans are eradicated)

It is assumed that robots will be used in the industrial sector to an even greater extent for the automation of material flows. This will involve palletizing, sorting, packaging, transportation and commissioning, and be aimed at raising throughput. Consequently, high robot operation speeds constitute a crucial issue.

Apart from speed and security, for robot system users quick and simple programming is an increasingly important topic. This relates to the fact that that for smaller companies a lack of skilled personnel, or complex programming procedures frequently represent stumbling blocks with regard to robot purchases.

KEBA's all-in-one robot control system is in international demand

KEBA has great experience and expertise in the development of robot control systems and operating terminals for industrial robot applications. As a result robot manufacturers around the world number among its customers.

For many years KEBA has been represented in the most important robotic markets such as Germany, Japan and the USA. And in this connection the foundation in 2013 of a branch in South Korea, which represents the latest step towards internationalization, is strategically ideal, as Korea is one of the world's robot growth markets.

In addition, the **new, all-in-one control system for robotic applications**, which for the first time combines control, drive and safety technology in a single, extremely compact system is set to further consolidate KEBA's position in the robotic market. Indeed, an initial reference customer is already using the system for its own development projects.

The new control system is characterized by a smaller footprint and high performance density. In addition, the fact that these features are provided on a one-stop-shopping basis eliminates the complicated integration of differing systems.

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Robot-based, pick-and-place applications in the packaging industry are also experiencing an uninterrupted boom, as users anticipate a long-term reduction in production costs and increased productivity. The benchmark for productivity in this area is formed by the number of products that can be placed in their final position within a minute.

As a rule, several robots operate simultaneously in very limited spaces. Therefore, a special feature of KEBA solutions is an ability to precisely predict where robot arms and moving objects will be at any one time, in order to thus control sequences in a proactive and kinematic-protective manner. In the final analysis this raises throughput and subsequently reduces energy consumption.

In the **extremely demanding automotive sector**, robots are used for paint spraying, welding, bonding, grinding and polishing. KEBA robot control systems are in operation in this area worldwide because they are capable of guiding highly complex and dynamic procedures to perfection and meet the branch's renowned, stringent quality standards.

Robots are also being employed with growing frequency as a type of production support. Here the separation of strict (full) automation and manual work is becoming steadily less rigid and there is a focus on a flexible division of labour between humans and robots (human-robot collaboration).
For example, simple and repetitive assembly and work that is heavy, hazardous to health, or ergonomically unfavourable, are being transferred to robots.

A prerequisite for such concepts is quick and easy robot start-ups. This is partly due to the fact that such applications often involve frequent changes for reasons of product diversity and item numbers. KEBA's mature operating terminal and user-friendly visualization systems with predefined robot types and typical movement sequences facilitate commissioning in only a few hours without the need for particular programming skills.
In addition, a specially developed program allows the advance simulation of robot-supported sequences and hence their optimization from a sequential viewpoint and with regard to the actual robot requirement (investment).

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KEBA also has an answer to **the demand for simplified robot programming and operation**. This comes in the form of the **KeTop T10 directMove manual operating device, which a few weeks ago received the respected German Robotics Award** and is able to provide a completely new and highly intuitive type of robot operation. The teach-in of robot movement sequences is not always a straightforward task. Indeed, the integration of the possibilities for three-dimensional robot movement into a coordinate system and the programming of movement paths constitute an extremely complex assignment and depending upon knowledge levels can be very time-consuming.

As a result of the intuitive operation of the manual device with which one simply shows the robot the path to be taken, both experienced and first time users can save up to 20 per cent of the teach-in period.

The KEBA T10 directMove manual operating device convinced the expert jury at the German awards through its economic advantages, outstanding usability and high levels of practical relevance. It therefore took first prize.

Bank and Services Automation

In the Bank and Services Automation Business Area, KEBA develops and manufactures functional and modern ATMs, innovative postal and logistics solutions, and lottery terminals for customers around the world.

KEBA ATMs set market standards

KEBA has been able to increase its market shares in the ATM sector considerably, particularly in Germany and Austria. Moreover, the company has gained a solid foothold in Italy, which is a relatively new market for KEBA banking automation.

Quality and availability have clearly established themselves as the main banking automation priorities. KEBA has observed that the general market trend is towards the allocation of greater importance to overall costs and not merely favourable prices. For KEBA this represents confirmation that its investments in quality assurance,

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ongoing, further technical development and perfect support are paying dividends. **In the self-service banking machine area, KEBA is regarded as the branch benchmark for stability and availability.**

95 per cent machine availability basically appears very high, but is put into perspective by the fact that the machine is unavailable for transactions for eight hours per week. However, if one assumes 98 per cent availability, non-availability falls to three hours. A three per cent increase in availability thus cuts downtimes by over 60 per cent, which is a major factor in customer satisfaction and cost-efficiency.

Gerhard Luftensteiner: "*Apart from their design and usability, above all the quality and reliability of our products convince our customers, who include savings banks, international institutes and large banks.*"

Parcel automation

KEBA has determined a powerful upswing in the parcel automation market. This has come against the background of the growth in online mail order trading and the fact that postal organizations are increasingly considering how to deal with the problem of the last mile in connection with parcel deliveries. They are also seeking ways to furnish their customers with the appropriate services when making collections or returns. This situation has provided KEBA with very interesting inquiries from all over the world and many international projects. With its KePol automats, which allow 24-7 parcel dispatch and collection, KEBA offers alternative logistics suppliers and national postal organizations an economic and reliable solution for the automation of the first and last mile.

The Linz-based automation company has over 12 years of parcel automation experience and the world's largest installation basis in this area.

Energy automation

Gerhard Luftensteiner is convinced that when the large German car manufacturers bring their new e-vehicles onto the market during this year, the attractiveness of e-mobility will increase greatly. KEBA, which entered this branch some years ago and

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has deliberately invested in the new energy automation business area, has already delivered electrical charging stations from Europe to the USA. Indeed, in 2013 alone, over 5,000 wall boxes, the compact quick charging station, were supplied.

Highly efficient and user-friendly control units for alternative heating provide the second focal point in this business area. These are employed by leading heating system manufacturers.

Internationalization as a growth driver

Internationalization policy represents an important factor in KEBA's growth and therefore the company has been pushing ahead in this area for over a decade. In recent years, employee numbers have also risen in line with the increase in sales revenues and international business.

Gerhard Luftensteiner , the KEBA CEO, *"Internationalization is KEBA's growth motor and in Linz ensures the creation of numerous top quality jobs in future branches."*

At present, KEBA has a workforce of over 900 employees, of whom some 200 work for its international subsidiaries.

KEBA is to continue on its internationalization course at speed. However, as a global player based in Linz, the company regards it as important that the national, economic policy framework be adjusted to match the challenges that Austrian companies have to face when seeking to remain competitive on the international stage.

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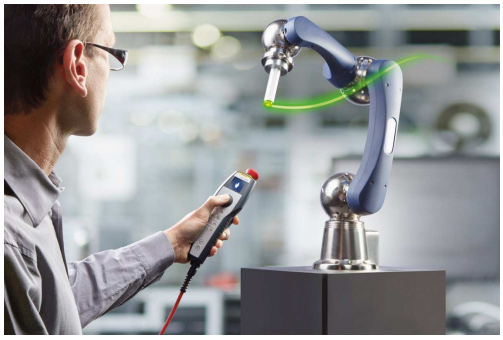
Gerhard Luftensteiner
the KEBA CEO

The KEBA AG executive management: (from l. to r.)
Franz Höller, CTO
Gerhard Luftensteiner, CEO



KEBA T10 directMove

KEBA T10 directMove

KEBA robot controls in the packaging industry

Additional photos from today's press conference and KEBA are available at http://www.apa-fotoservice.at/**.**

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