

China's Midea makes \$5.2B offer for German robot maker Kuka (Update)

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Chinese appliance maker Midea made a \$5.2 billion takeover offer Wednesday for German industrial robot maker Kuka, a move that it says would help it capture a larger share of the "future service robots market."

Midea said it would offer 115 euros (\$130) a share to buy all the Kuka stock it doesn't already own. The cash offer values Kuka at 4.57 billion euros (\$5.2 billion).

Investors seemed bullish on the offer price, pushing shares in Kuka up a stunning 31 percent to 108.8 euros on the news.

The Chinese company, which is based in southern China's Guangdong province, raised its stake in Kuka to 10.2 percent in February. Indirect holdings of Kuka stock bring its current total ownership to 13.5 percent.

Chinese companies have been on an overseas acquisition spree as they use their cash hoard to buy up foreign technology to bolster their competitive positions at home.

Midea, which makes air conditioners, fridges and washing machines, said Kuka's technology would help it boost manufacturing efficiency.

Industrial firms in China are looking to boost their automation levels to replace humans as the pool of workers shrinks and wages soar.

Midea said the acquisition would also help it develop new smart home devices and service robots, product markets that are expected to see strong growth as demand rises from China's swelling middle class consumers.

Kuka AG is based in Augsburg, Germany, and says it has annual revenues of about 3 billion euros and employs 12,300 people globally.

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