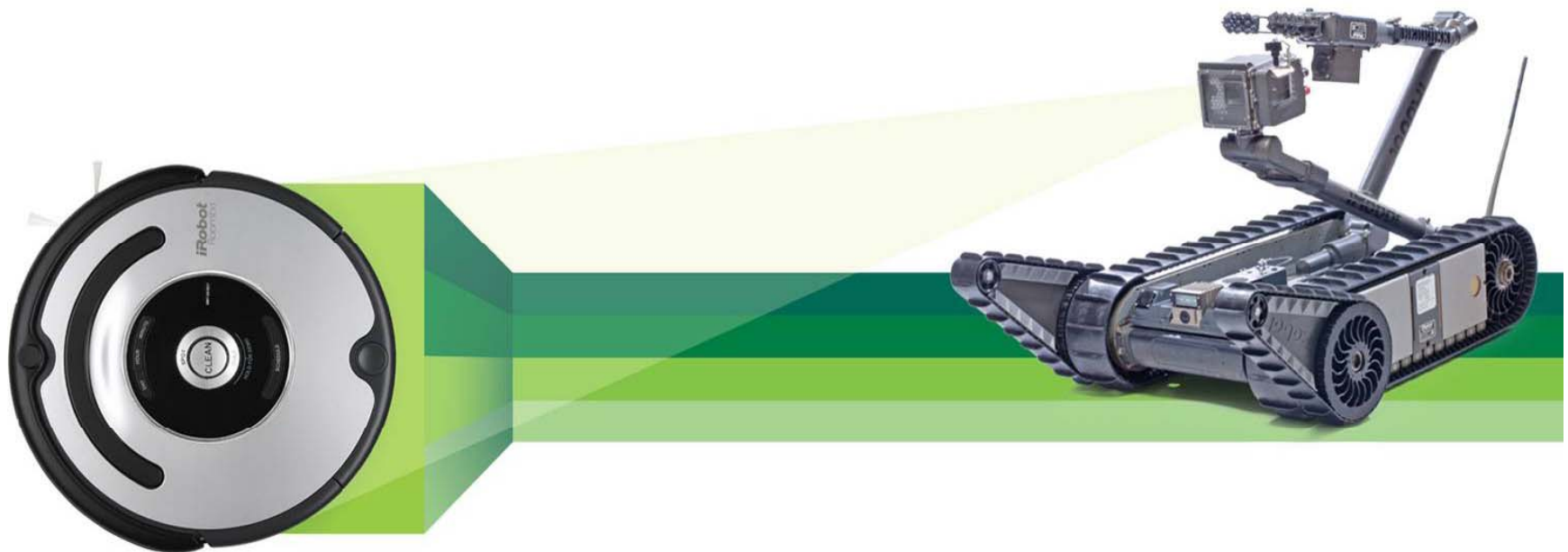




*Robots that make a difference*

# 12<sup>th</sup> Annual Needham Growth Stock Conference

January 12, 2010





# Forward looking statements

- Certain statements made in this presentation that are not based on historical information are forward-looking statements which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.
- These statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements.
- Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. iRobot Corporation undertakes no obligation to update or revise the information contained in this presentation, whether as a result of new information, future events or circumstances or otherwise.
- This presentation contains various non-GAAP financial measures as defined by SEC Regulation G, including Adjusted EBITDA, which we define as Earnings Before Interest, Taxes, Depreciation, Amortization, merger and acquisition expenses and non-cash stock compensation expense. The most directly comparable GAAP financial measures and a reconciliation of the differences between the GAAP financial measures and the non-GAAP financial measures are posted on the investor relations page of our web site at [www.irobot.com](http://www.irobot.com).
- For additional disclosure regarding these and other risks faced by iRobot Corporation, see the disclosure contained in our public filings with the Securities and Exchange Commission.



## Our three-year strategy

Deliver robotic **technology-based** solutions leveraging **common platforms** and **software** which **delight our customers** and anticipate their needs while achieving **mid-teen EBITDA margins** and **growing the equity value** of the business.

Leader in robot technology – autonomy, sensing, manipulation

# Delivering technology-based solutions

Home  
Robots



Roomba 400 - 500



G&I



PackBot - SUGV



- Multi-generational platform strategy
- Installed base supporting 3<sup>rd</sup> party development

Leveraging common platforms and software

# Understanding our customers

Practical, dependable robots that address existing and emerging needs

Home  
Robots



Roomba 400 - 500

Scheduling, Self-charging, Anti-tangle, light-touch bumper



G&I



PackBot - SUGV

EOD – SA – Bomb Sniffing – Man Transportable



20 years experience developing commercially viable robots



## Grow equity value

- Focused on improving gross margin through high value products with high software and IP content
  - Leveraging operating expenses
  - To generate:
    - Revenue – mid to high-teens CAGR
    - EBITDA – mid-teens margin %
    - OCF – continuous year over year growth
- Over the next three years

**Focused on building sustainable shareholder value**

# Currently operating in two nascent markets

## Home Robots - More than 5 million sold

Increased software content = increased functionality and higher margins →

### Dry floor care



### Wet floor care



Common platforms built on common operating software

# Currently operating in two nascent markets

## Military Robots - More than 3,000 robots delivered

Increased software content = increased functionality and higher margins

### PackBot

50-60lbs



EOD



FIDO



FasTac



Engineer



Enhanced  
FasTac



Chem-Bio

### SUGV

20-30lbs



SUGV 310



FCS/BCTM SUGV



SUGV 320 COTS

### Warrior

250-400lbs



Platform



EOD/Clearance

### Maritime



Seaglider



Ranger

Common platforms built on common operating software




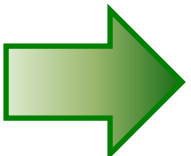

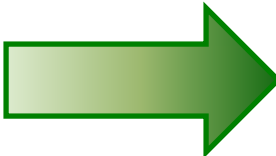


# Strategic Overview – Home Robots

Deliver **easy-to-use**, high-quality robots that **serve large-scale markets** and **enhance the quality of life at home** by addressing applications in **maintenance, communications and independent living**.

- Strengthen and extend the floor care franchise
- Deliver a high-quality customer experience
- Deliver attractive economic returns
- Global execution
- Expand beyond floor care – long-term vision of autonomous home



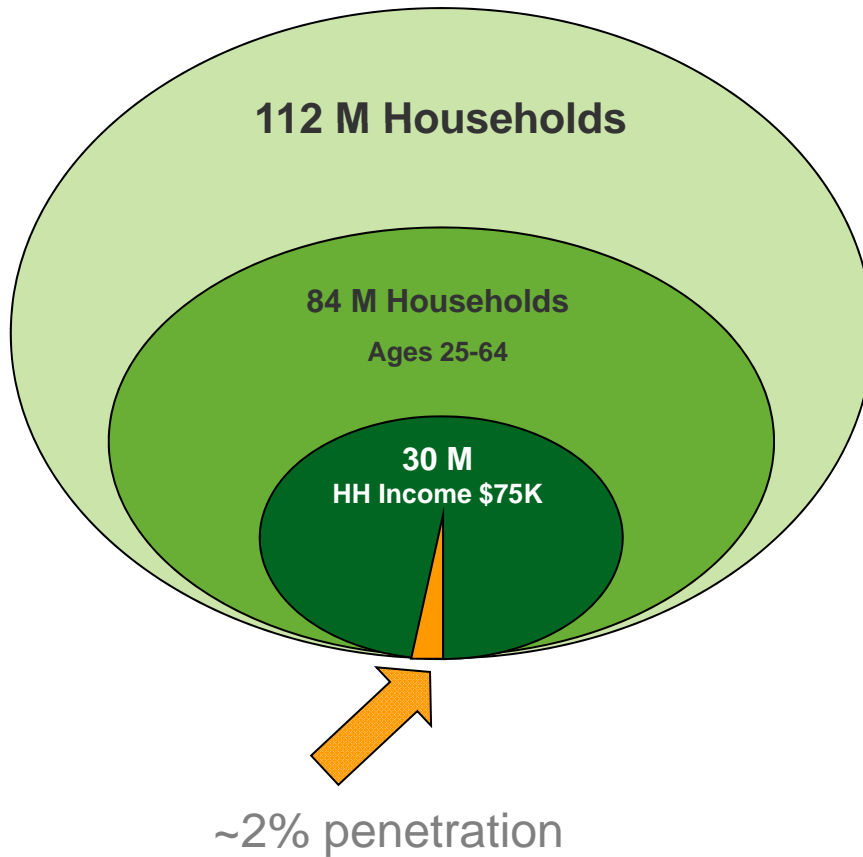
# SUGV Growth into Infantry Market

Product	Availability	Contract Vehicle	Customers
<p><i>SUGV 310</i></p> 	 <p>Today</p>	<p>"Mini-EOD" IDIQ Contract</p>	<ul style="list-style-type: none"> <li>• Special Ops</li> <li>• EOD</li> <li>• Engineers</li> </ul>
<p><i>SUGV 320 FCS / BCTM</i></p> 	 <p>Early 2010</p>	<p>BCTM LRIP Contract</p>	<ul style="list-style-type: none"> <li>• BCTM Integrated Brigades</li> </ul>
<p><i>SUGV 320 COTS</i></p> 	 <p>Late 2010</p>	<p>Currently Pursuing</p>	<ul style="list-style-type: none"> <li>• Infantry Current Forces</li> </ul>

**On Track to Capture Large Infantry Market**

# Significant growth potential in domestic markets

Home Robots



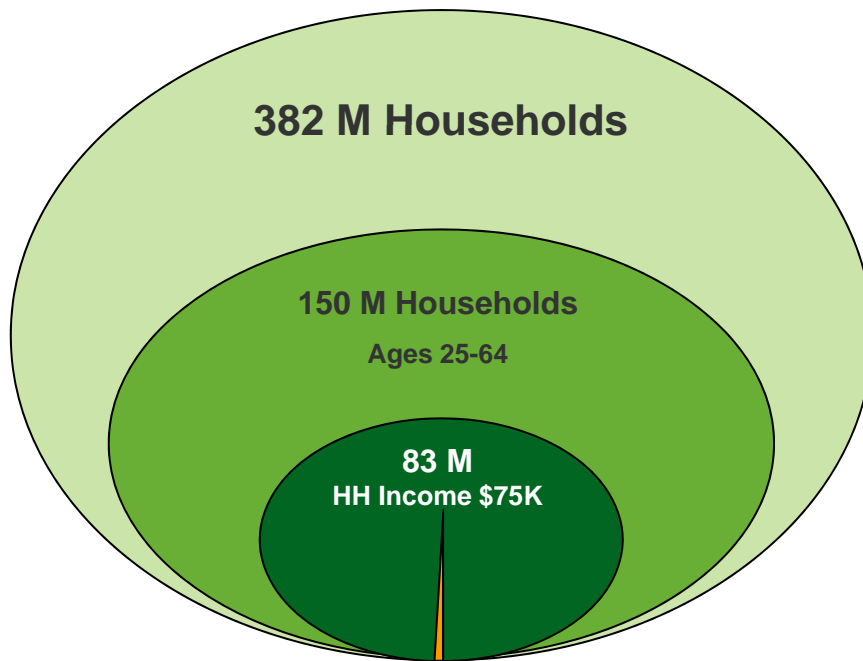
Military Robots



iRobot is a market leader with few competitors

# International market potential

## Home Robots



<1% penetration

## Military Robots



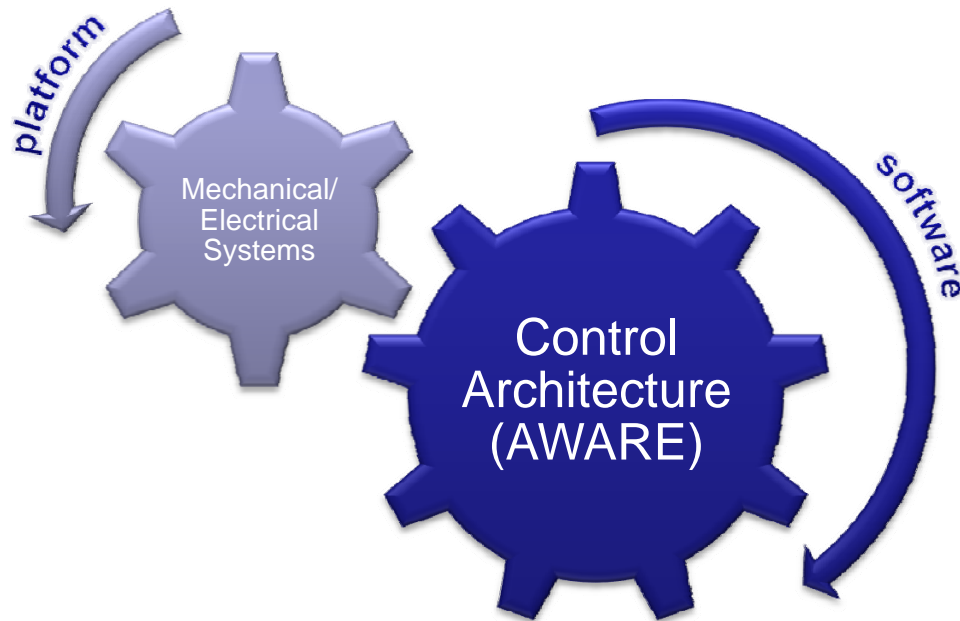
Additional growth opportunities

\* % of G&I product revenue

**iRobot®**

January 12, 2010

# Our Competitive Edge

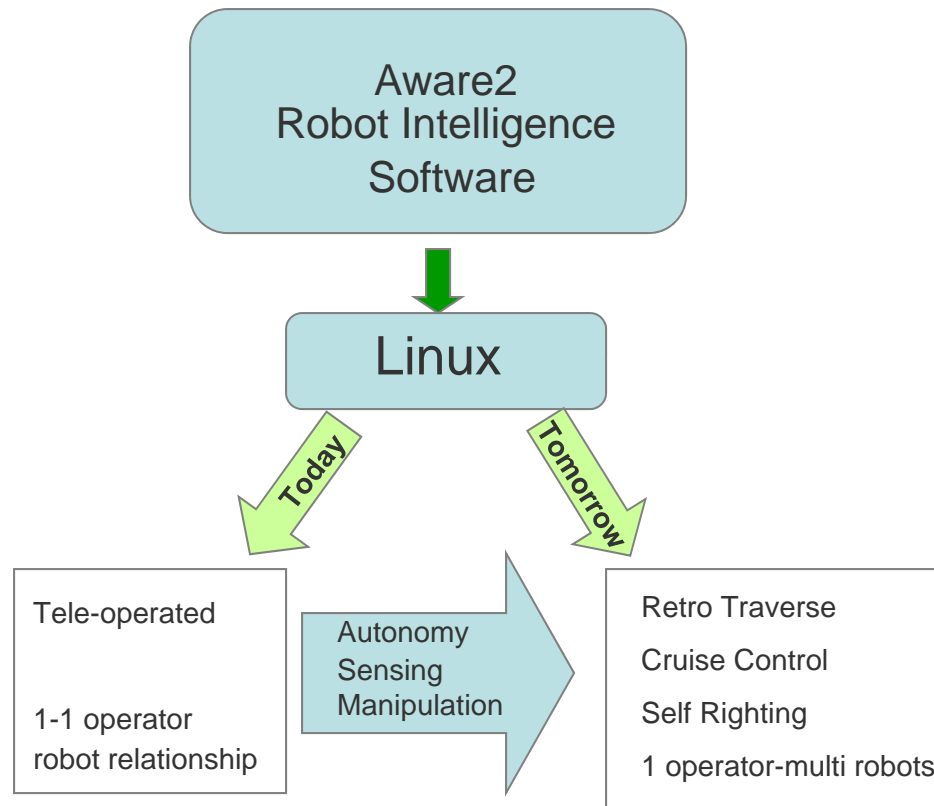


Growing Patent Portfolio:

**70 Patents**  
More than  
**100 Pending**

**A technology company with a widening competitive moat**

# Software Architecture – Aware2



Proprietary operating system expands competitive moat

# Leverage investment – External & Internal R&D

6%  
IR&D + 10%  
External  
Funding = 16% Investments  
Trailing 4 Quarters  
as a % of Revenue



Technology developed and enhanced with internally and externally funded R&D

# Product Strategy

Develop a portfolio of practical robots built on common platforms using common software that:

- Make a difference in people's lives
  - Enhancing the quality of life at home



- Increase combat effectiveness in asymmetric warfare



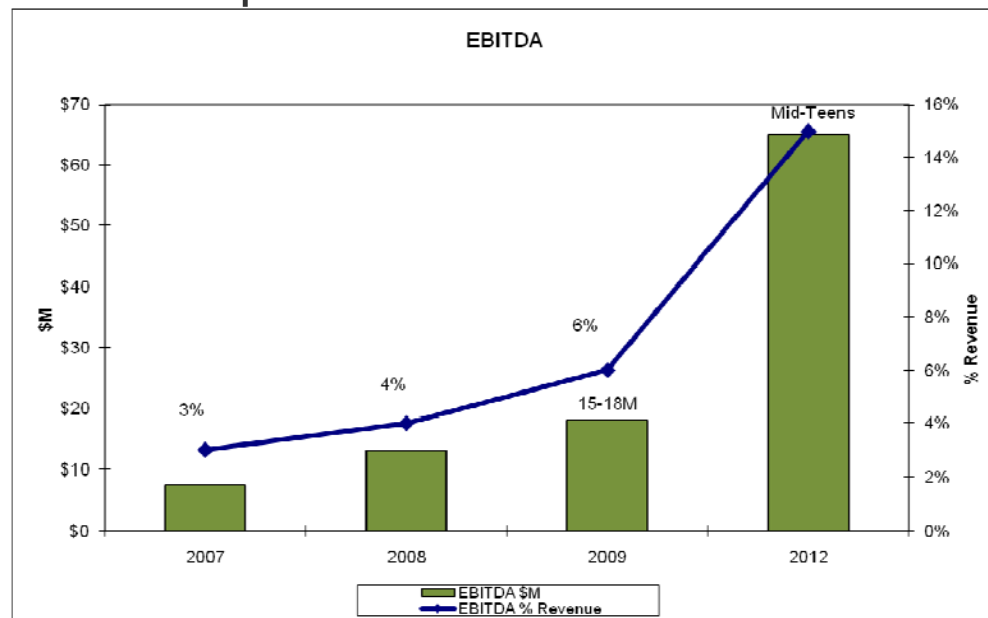
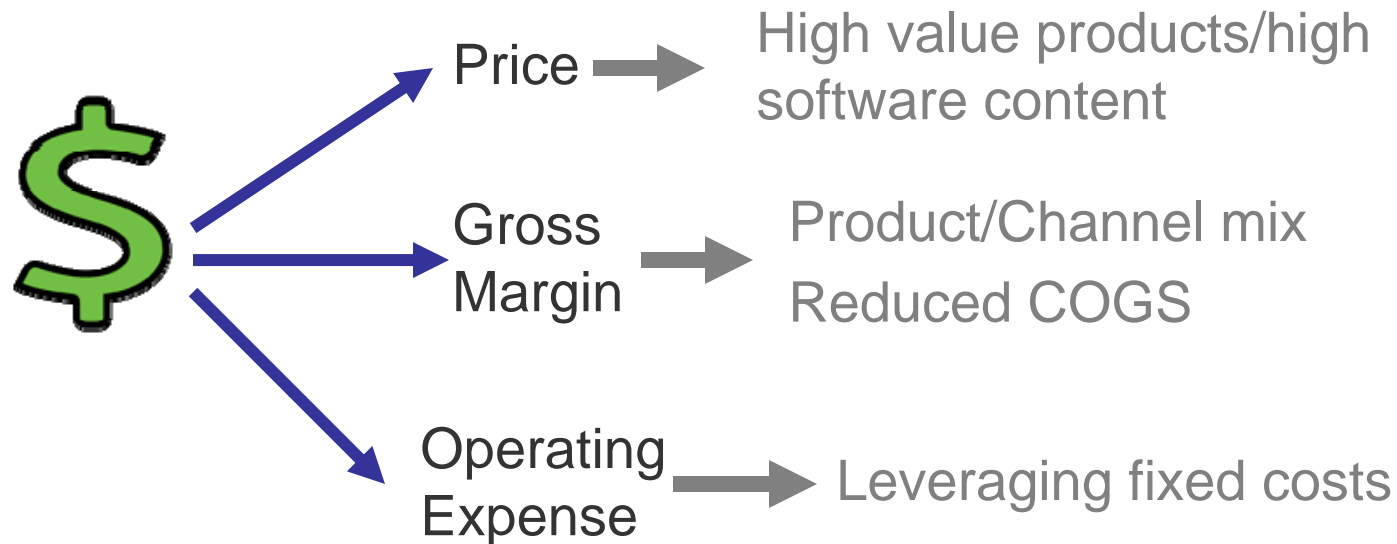




## With increased focus on

- Delivering high quality customer experience
- Targeting significant markets
- Leveraging externally developed technology
- Supporting third party development

# Roadmap to improved profitability





## YTD results

	<u>YTD-09</u>	<u>YTD-08</u>	<u>B/(W)</u>
Revenue(M)	\$196.9	\$216.9	(\$20.0)
Gross Margin	28.9%	28.0%	.9 pts
Operating Expenses(M)	\$60.0	\$70.8	\$10.8
EPS	(\$0.07)	(\$0.19)	\$0.12
EBITDA (M)	\$8.2	(\$0.7)	\$8.9

Outperformed expectations across all measures through Q3



## Strong YTD Performance

- Driving operating cash flow and EBITDA
  - OCF – YTD 09 improved by \$25 million over YTD 08
  - EBITDA – YTD 09 improved by \$9 million over YTD 08
- Continuing to invest in our future

Improved results while investing to build brand and  
preserve market leadership position



## 2009 Outlook - Increased full year guidance\*

	<u>2009</u>	<u>2008</u>
Revenue(M)	\$295-305	\$308
Earnings per share	\$0.02-\$0.06	\$0.03
EBITDA (M)	\$15-18	\$13

- Continued international demand in home robots; recession-driven weakness in U.S.
- G&I – 100% revenue visibility on full year

\*October 22, 2009



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