KUKA

INTERIM REPORT FOR THE 2ND QUARTER 2013

SMART TOOLS MEET SMART PEOPLE

SMART TOOLS MEET SMART PEOPLE

TECHNOLOGY

KUKA'S INTELLIGENT ROBOTICS AND AUTOMATION SOLUTIONS ARE ALWAYS ONE STEP AHEAD.

MARKETS

KUKA GIVES ITS WORLDWIDE CUSTOMERS A DECISIVE LEAD WHILE CONDUCTING BUSINESS SUSTAINABLY.

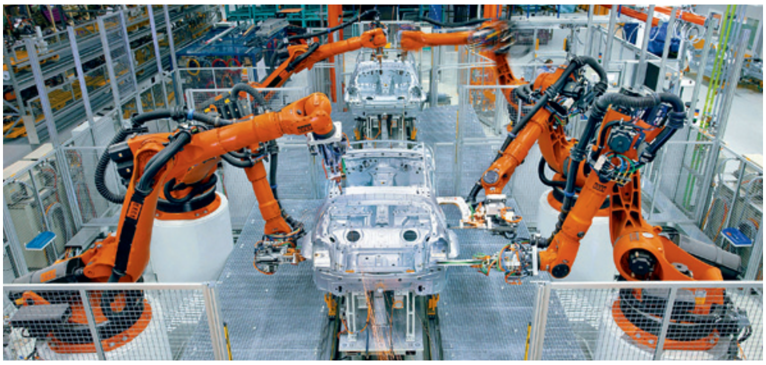
KUKA

EMPLOYEES

KUKA'S PEOPLE WORK PASSIONATELY AND CREATIVELY. THEIR STRONG COMMITMENT AND EXPERTISE IS OUR MOST VALUABLE ASSET. KUKA OFFERS CONTINUING EDUCATION OPPORTUNITIES ACROSS THE GLOBE.

PARTNERS

KUKA'S TRUSTWORTHINESS AND RELIABILITY IS EVIDENT IN ALL ITS PARTNERSHIPS. IT'S HOW THE COMPANY ENSURES ENDURING SUCCESS FOR ALL ITS ASSOCIATES.



KUKA ROBOTICS

KUKA Robotics' core competence is in the development, manufacturing, controlling, sales and service of industrial robots suitable for any application and any industry sector, in addition to linear units, positioners and mobile platforms.

KUKA SYSTEMS

KUKA Systems offers its customers robot-based automation solutions. As general contractor, the division designs and builds customized production lines. The division has core competencies in processes such as welding, gluing, sealing, converting, assembling, testing and handling of metals, glass and other materials.

CONTENT

OVERVIEW

_ **Orders received** in H1/13 reach € 1.01 billion
  - Q2/13: up 3.8 percent to € 525.4 million, including € 40 million from Utica

_ **Sales revenues** grow 7.0 percent to € 873.5 million in H1/13

_ **EBIT margin** rises to 6.6 percent in H1/13, up from 6.2 percent in H1/12
  - Q2/13: Systems' EBIT margin up sharply to 5.8 percent

_ **Earnings after taxes** reach € 27.0 million and free cash flow € 34.0 million in H1/13

_ Successful increase of **convertible bond** volume in July 2013 secures attractive interest rate until 2018

_ **Guidance** confirmed

KUKA GROUP, KEY FIGURES

in € millions	6 months 2012	6 months 2013	Change
Orders received	1,108.8	1,008.1	-9.1%
Order backlog (06/30)	1,046.8	1,022.4	-2.3%
Sales revenues	816.0	873.5	7.0%
Gross profit	173.7	209.3	20.5%
in % of sales revenues	21.3%	24.0%	–
Earnings before interest and taxes (EBIT)*	50.5	57.4	13.7%
in % of sales revenues	6.2%	6.6%	–
Earnings before interest, taxes, depreciation and amortization (EBITDA)	64.4	73.6	14.3%
in % of sales revenues	7.9%	8.4%	–
Net result	25.6	27.0	5.5%
Earnings per share in €	0.75	0.80	6.7%
Capital expenditure	22.8	18.9	-17.1%
Equity ratio in % (06/30)	24.3%	25.9%	–
Net debt (–) / Net liquidity (+) (06/30)	-45.2	76.6	–
Employees (06/30)	7,020	7,534	7.3%

in € millions	2nd Quarter 2012	2nd Quarter 2013	Change
Orders received	506.2	525.4	3.8%
Order backlog (06/30)	1,046.8	1,022.4	-2.3%
Sales revenues	448.7	437.5	-2.5%
Gross profit	93.8	103.9	10.8%
in % of sales revenues	20.9%	23.7%	–
Earnings before interest and taxes (EBIT)*	28.6	29.0	1.4%
in % of sales revenues	6.4%	6.6%	–
Earnings before interest, taxes, depreciation and amortization (EBITDA)	35.9	37.4	4.2%
in % of sales revenues	8.0%	8.5%	–
Net result	14.8	12.5	-15.5%
Earnings per share in €	0.43	0.37	-14.0%
Capital expenditure	10.0	9.9	-1.0%

* Adjusted for financing costs included in operating result (IAS 23 R)

FOREWORD

DEAR SHAREHOLDERS,

The first half of the fiscal year has been quite successful for KUKA. Orders received remained steady at the high level of € 1.01 million. KUKA Group reported orders received of € 525.4 million in the second quarter 2013. Sales revenues in the first six months climbed to € 873.5 million and € 437.5 million in the second quarter. Robotics generated sales revenues of € 184.3 million. Systems' sales revenues of € 260.3 million were the second-highest quarterly level in the company's history. Group consolidated EBIT margin rose to 6.6 percent.

KUKA is reaping the benefits of continuous steady demand from automotive customers and large order releases from frame contracts the company has with European car manufacturers. But fairly large orders from general industry added to the overall positive second-quarter results.

The uninterrupted trend to automate offers opportuni ties for KUKA. More than ever, it is important to offer customers the right products and excellent service all over the world.

We have had particularly good success with the KR AGILUS. The small robot has become a real hit with customers in the plastics and metalworking sectors. We presented our first ever robot specially tailored to meet Asian market requirements, the KR 5 R1400, at the Welding and Cutting trade show in Shanghai in June. In order to continue developing the right products and growing globally in future, we need to make sure our employees are the best anywhere. They are the most important resource in which we want to invest. This includes establishing the right conditions to make our workers feel at ease. It gives me great pleasure to announce that after being re-audited in June, we were for the second time awarded the "Career and Family" certificate.

We want to continue to establish objectives in the future that help our employees perform to the best of their ability, not only in Germany, but all over the world.

We continue to expect stronger demand from Asia and North and South America. We are well-positioned to serve these markets. Our factory in China will open as planned at the end of the year and our North American business is also developing well. The acquisition of Utica's systems business will strengthen our position in this market.

Provided that general conditions remain unchanged, we expect consolidated Group sales revenues to rise slightly to € 1.8 billion and are expecting an overall EBIT margin for the year of about 6.5 percent. We are confirming our guidance.

Sincerely,

Till Reuter
CEO

KUKA AND THE CAPITAL MARKET

Stock markets touch new highs

Over the past few months, financial markets have been driven mainly by the central banks' monetary policies. All over the world, central banks are injecting liquidity to stimulate growth, and this is also having a positive impact on the financial markets. These policies spurred the stock market rally and drove share prices to new highs. On May 22, 2013, the DAX closed at 8,530.89, higher than ever before. Not until the US Federal Reserve indicated that it may taper its monetary policy did the markets retreat. The Fed's statements were the result of improved economic conditions in the United States.

The MDAX climbed 15 percent during the first half of the fiscal year and closed at 13,706.44 on June 28, 2013. KUKA shares performed even better, closing at € 32.49 on June 28, 2013, up 17.4 percent from the beginning of the year. The share price developments of comparable companies in the machine tool and automotive industry supplier segment during the same period ranged between -2 percent and +31 percent.

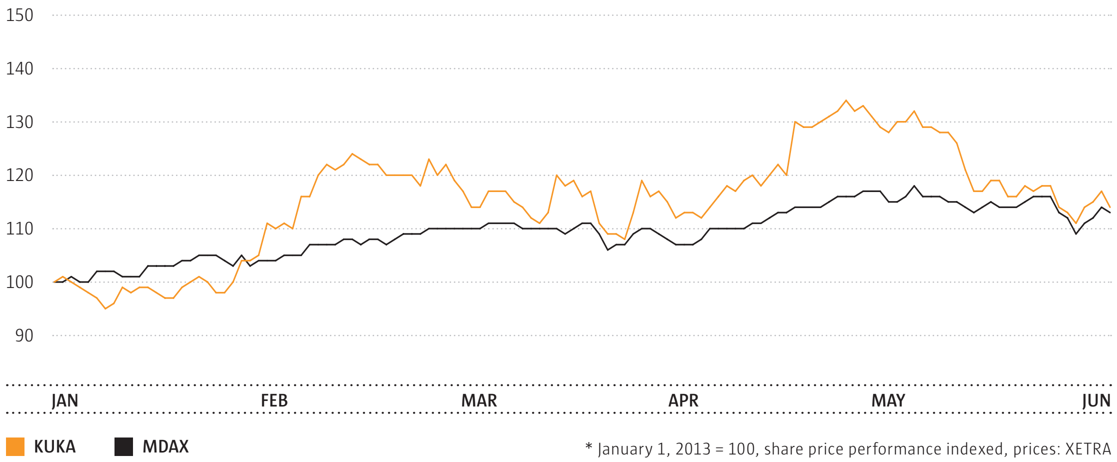
KUKA's share price up 17 percent in the first half of fiscal 2013

During the first half of fiscal 2013, KUKA's share price caught up with the MDAX and reached its highest ever value of € 38.20 on May 16, 2013. Demand for robot-based automation, driven by rising costs and increasingly tight specifications for high quality products, continues uninterrupted and is having a positive impact on investors' interest in KUKA shares.

Free float remains high

The free float of KUKA's shares at the end of the second quarter of 2013 remains at 75.6 percent of total share capital. The following investors hold more than 3 percent of total share capital according to the most recent disclosures: Grenzebach Group, Asbach-Bäumenheim (24.4 percent), Oppenheim Asset Management Services S.a.r.l. (5.2 percent), AXA S.A., Paris (3.2 percent), BlackRock Group (3.1 percent), BlackRock Advisors Holding (3.0 percent) and Franklin Mutual Advisors LLC (3.0 percent).

KUKA'S SHARE PRICE PERFORMANCE JANUARY 1 TO JUNE 30, 2013 *



* January 1, 2013 = 100, share price performance indexed, prices: XETRA

CONSOLIDATED MANAGEMENT REPORT

ECONOMIC ENVIRONMENT

Euro zone continues to lag

The International Monetary Fund (IMF) revised its world economic growth forecast for 2013 downward by 0.2 percent to 3.1 percent. The reason for the lowered expectations include the worsening recession in Europe, weaker growth in the emerging nations and concerns that the US Federal Reserve will taper its monetary stimulus, which should further dampen growth slightly.

The weak world economy and the continuing uncertainty in the euro zone are also the reasons for the low growth forecasts for the German economy. The IMF lowered its forecast for Germany to +0.3 percent for 2013. Although economic activity is expected to improve in the second half of the year, the recovery is not expected to be strong because of restrained capital spending. The IMF is expecting economic growth to accelerate in 2014 and is predicting that the German economy will expand by 1.3 percent.

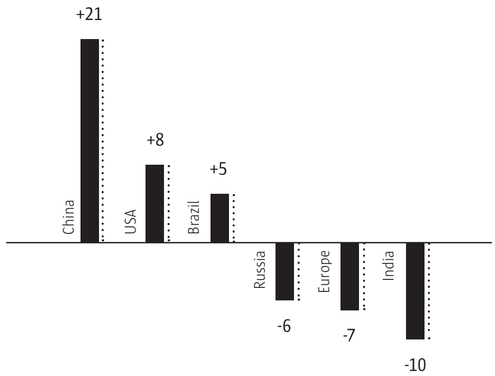
DEMAND FOR CARS

German automotive industry's global position excellent

According to VDA, the German automotive industry association, the world market for cars is expected to grow 2 percent in 2013, to 70.5 million units. According to its predictions, high growth is especially expected in the United States (+5 percent) and China (+10 percent). The total number of vehicles for these markets is estimated at nearly 30 million, over 40 percent of the world market. Sales in Europe continue to be sluggish. However, German carmakers are able to compensate for this weakness thanks to their excellent market shares outside Europe. In China, German carmakers have a market share of over 21 percent, in the United States almost 12 percent and in South Africa, as high as 42 percent (source: VDA). As the trend toward producing locally continues to rise, export numbers are falling in tandem. More and more cars are being shipped from local factories, especially in the fast growing emerging nations, as well as the United States. Still, Europe remains an important market for the German automotive industry. Buyers in Western Europe are especially concerned about the ongoing state debt crises.

SALES OF CARS AND LIGHT COMMERCIAL VEHICLES JAN. – JUNE 2013 WORLDWIDE

Year-over-year change (in percent) Source: VDA and ACEA



ROBOTICS AND AUTOMATION

Demand for industrial robots remains high

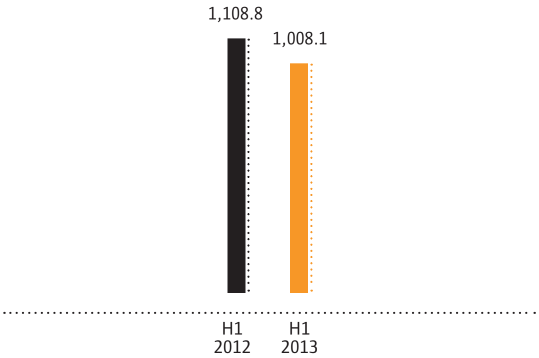
The global trend to automate using robots continued, with 160,000 robots installed worldwide in 2012. The International Federation of Robotics Statistical Department (IFR) estimates that a similar number of robots will be installed worldwide in 2013. According to the IFR, general industry is an especially promising growth market. About 70 percent of the robots were sold in Japan, China, the United States, Korea and Germany. Last year, sales of robots in China reached 23,000, making China the second largest robot market in the world after Japan. In Germany, the number of robots sold to the automotive industry was down, while general industry investments were again higher. According to the IFR, energy efficiency, lightweight construction and user-friendliness will become increasingly important as users around the world buy more and more robots. Providing these features will create even further potential for robot sales growth.

BUSINESS PERFORMANCE

For the quarter just ended, KUKA Group again reported very high **orders received**. Excellent demand, especially from the automotive segment, was the main driver. In total, orders received reached € 525.4 million, of which about € 40 million came from the first-time consolidation of Utica's orders. Year-over-year, orders received in the second quarter of 2013 were thus up 3.8 percent. Without the first-time consolidation of Utica, the result was the same as the € 482.7 million booked in Q1/13 and down 4.1 percent in comparison to Q2/12. Overall, Robotics posted orders received of € 186.9 million in the second quarter of 2013, down 11.1 percent from the € 210.3 million reported for Q2/12. The Systems division set a new record, generating orders received of € 345.0 million, most of which came from the automotive industry. This represents an increase of 13.1 percent over the already high 305.0 million posted in Q2/12. Without the contribution from Utica, orders received were the same as last year. KUKA Group's consolidated orders received in the first half of fiscal 2013 came in at € 1,008.1 million, exceeding the 1 billion threshold after only six months just like last year. The comparable number for H1/12 was € 1,108.8 million.

KUKA GROUP – CONSOLIDATED ORDERS RECEIVED

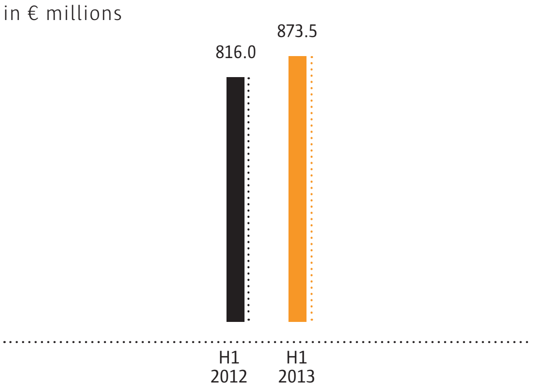
in € millions



KUKA Group reported **consolidated sales revenues** of € 437.5 million in the second quarter of 2013. The result for the quarter just ended was slightly higher than the € 436.0 million generated in Q1/13, but did not quite match the € 448.7 million generated in Q2/12. The Robotics division's sales revenues came in at € 184.3 million, compared to € 202.0 million in Q2/12. Systems' sales revenues of € 260.3 million were the second-highest in the company's history. Utica's sales contributed € 6.4 million in the quarter just ended. In the first six months of 2013, KUKA Group's cumulative consolidated sales revenues came in at € 873.5 million, which is 7.0 percent higher than the € 816.0 million reported after the first six months of fiscal 2012. Both divisions contributed to these results, which were the best to the half-year mark in the company's history. Robotics' sales were up 10.2 percent to € 391.1 million and Systems' were higher by 4.9 percent, ending at € 494.7 million. The book-to-bill ratio remained high, coming in at 1.15 for the first half of fiscal 2013, and 1.20 for the second quarter of 2013.

KUKA GROUP – CONSOLIDATED SALES REVENUES

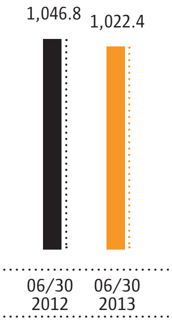
in € millions



This drove KUKA Group's **order backlog** even higher, from € 947.2 million at the end of the first quarter of 2013 to € 1,022.4 million at the end of the second quarter of 2013. Work on hand was thus down slightly year over year, falling 2.3 percent from € 1,046.8 million on June 30, 2012. The Robotics division's order backlog at the end of the second quarter of 2013 was € 274.1 million compared to € 308.1 million on June 30, 2012 and the Systems division reported orders on hand of € 757.4 million, up from € 749.1 million on June 30, 2012.

KUKA GROUP – CONSOLIDATED ORDER BACKLOG

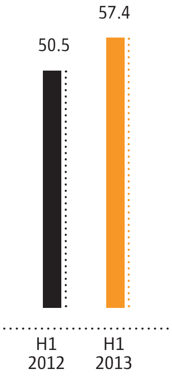
in € millions



Overall, KUKA Group generated consolidated earnings before interest and taxes (EBIT) of € 29.0 million for the second quarter of 2013, versus € 28.6 million in Q2/12. EBIT margin was up from 6.4 percent in Q2/12 to 6.6 percent, the highest EBIT margin in a single quarter since 2004. High sales, efficient resource utilization and improved process management were the main contributors to this very satisfactory development. The Robotics division reached its planned earnings target and generated an EBIT of 10.1 percent or € 18.6 million. This compares to € 23.9 million in Q2/12. The Systems division's earnings before interest and taxes (EBIT) contribution in the second quarter of 2013 came in at € 15.1 million, a new record. As a result, the division's EBIT margin also rose from 4.1 percent in Q2/12 to 5.8 percent in Q2/13. This increase in the Systems division was driven by high demand and improved internal processes. KUKA Group generated a consolidated EBIT of € 57.4 million in the first half of fiscal 2013, compared to € 50.5 million in H1/12. EBIT margin was 6.6 percent versus 6.2 percent in H1/12.

KUKA GROUP – CONSOLIDATED EBIT

in € millions



DIVISIONS

ROBOTICS

KEY FIGURES

in € millions	6 months 2012	6 months 2013	Change
Orders received	475.0	420.5	-11.5%
Order backlog (06/30)	308.1	274.1	-11.0%
Sales revenues	354.8	391.1	10.2%
Gross profit	109.1	133.3	22.2%
in % of sales revenues	30.7%	34.1%	–
Earnings before interest and taxes (EBIT)	39.8	39.6	-0.5%
in % of sales revenues	11.2%	10.1%	–
Earnings before interest, taxes, depreciation and amortization (EBITDA)	46.8	49.6	6.0%
in % of sales revenues	13.2%	12.7%	–
Employees (06/30)	3,055	3,177	4.0%

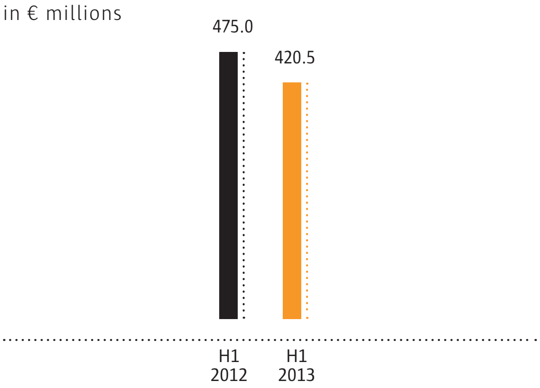
KEY FIGURES

in € millions	2nd Quarter 2011	2nd Quarter 2013	Change
Orders received	210.3	186.9	-11.1%
Order backlog (06/30)	308.1	274.1	-11.0%
Sales revenues	202.0	184.3	-8.8%
Gross profit	58.1	64.7	11.4%
in % of sales revenues	28.8%	35.1%	–
Earnings before interest and taxes (EBIT)	23.9	18.6	-22.2%
in % of sales revenues	11.8%	10.1%	–
Earnings before interest, taxes, depreciation and amortization (EBITDA)	27.4	23.6	-13.9%
in % of sales revenues	13.6%	12.8%	–

The Robotics division reported **orders received** of € 186.9 million in the second quarter of fiscal 2013, down 11.1 percent from the same time last year. It should be noted that the growth in the first and second quarters of 2012 was exceptionally strong. Both prior quarters benefited from large order releases from blanket orders with European carmakers and major general industry orders. In the second quarter of 2013, Robotics' orders received from VW group were exceptionally strong. These were from a large blanket order the company booked at the end of 2012.

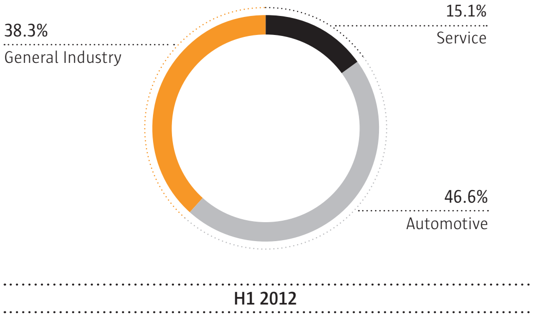
ROBOTICS – ORDERS RECEIVED

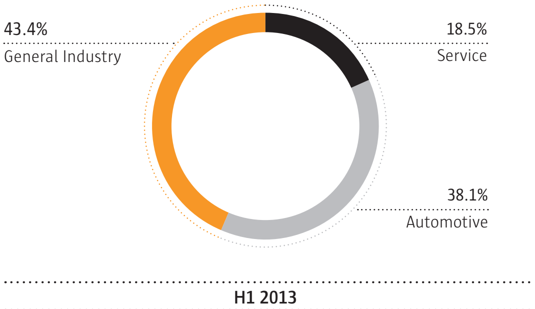
in € millions



ORDERS RECEIVED BY SEGMENT

in % of total





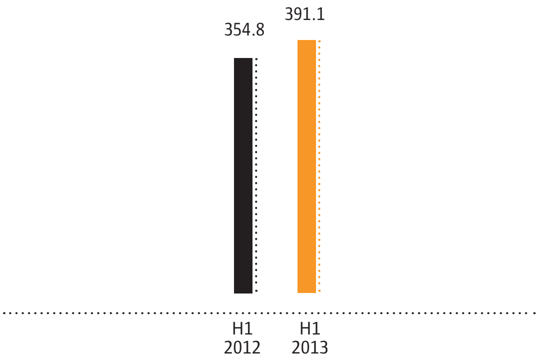
Orders from general industry in Q2/13 came in at € 76.3 million. This was significantly higher than the quarterly average of € 73.7 million for the record year 2012, but not as high as the € 93.3 million posted in Q2/12. Last quarter, KUKA Robotics received many small orders from a wide variety of other general industry segments. Orders from automotive in the second quarter of 2013 were posted at € 73.9 million, less than the € 84.3 million reported for Q2/12. This was according to budget. Total general industry orders in the second quarter of 2013 were higher than automotive industry bookings, coming in at 40.8 percent of total orders received versus 39.6 percent for automotive. The service business generated € 36.6 million in orders compared to € 32.7 million in Q2/12, giving it a share of 19.6 percent of the total.

In the first half of fiscal 2013, the Robotics division's orders received came in at € 420.5 million, 11.5 percent lower than the € 475.0 million posted in H1/12. On the other hand, the general industry and service segments reported growth. This is also reflected in the source of the orders: In the first six months of this year, the automotive business accounted for 38.1 percent of the total orders received, while general industry came in at 43.4 percent and the service business 18.5 percent. The prior year's numbers are shown in the following table.

Because of the way the releases from blanket orders were distributed, Robotics' sales were down in the quarter just ended. This decline is attributable solely to the automotive segment, whereas general industry and service sales were higher. Robotics' sales revenues in Q2/13 reached € 184.3 million, compared to € 202.0 million in Q2/12, a decline of 8.8 percent.Slightly over 50 percent of the sales revenues came from general industry and service. In the first half of fiscal 2013, the division's cumulative sales revenues totaled € 391.1 million, which is 10.2 percent higher than the € 354.8 million reported after the first half of fiscal 2012. Still, the results for first half just ended are a new record. The book-to-bill ratio remained at a satisfactory 1.01. In Q2/12 it was 1.04. Order backlog to June 30, 2013 was still high at € 274.1 million, although not as high as the record € 308.1 million reported on June 30, 2012. Last year, Robotics announced plans to expand its factory in Augsburg and build a new factory in China in order to adjust capacity to the strong market growth and increase its operating flexibility. The Augsburg expansion has been completed and the capacity is now about 20,000 to 22,000 robots annually. Construction of the new factory in China, with a medium-term assembly capacity of about 5,000 robots per year, is proceeding to schedule for the opening at the end of 2013.

ROBOTICS – SALES REVENUES

in € millions



The Robotics division generated an **EBIT** of € 18.6 million in the second quarter of 2013 versus € 23.9 million in Q2/12. As budgeted, EBIT margin was reported at 10.1 percent, down from 11.8 percent in Q2/12. One of the main reasons that EBIT was lower is that Robotics invested an additional € 3 million in research and development in an effort to accelerate its software development initiative (Sunrise), development of the LBR iiwa and general industry growth opportunities. The higher share of sales from the general industry and service segments had a positive impact on margin growth, but was unable to completely offset the other two factors. EBIT in the first half of fiscal 2013 was reported at € 39.6 million, close to the € 39.8 million posted in in H1/12. EBIT margin was 10.1 percent versus 11.2 percent in H1/12.

SYSTEMS

KEY FIGURES

in € millions	6 months 2012	6 months 2013	Change
Orders received	649.3	603.3	-7.1%
Order backlog (06/30)	749.1	757.4	1.1%
Sales revenues	471.8	494.7	4.9%
Gross profit	56.3	66.6	18.3%
in % of sales revenues	11.9%	13.5%	–
Earnings before interest and taxes (EBIT)	20.0	26.9	34.5%
in % of sales revenues	4.2%	5.4%	–
Earnings before interest, taxes, depreciation and amortization (EBITDA)	25.4	31.8	25.2%
in % of sales revenues	5.4%	6.4%	–
Employees (06/30)	3,791	4,158	9.7%

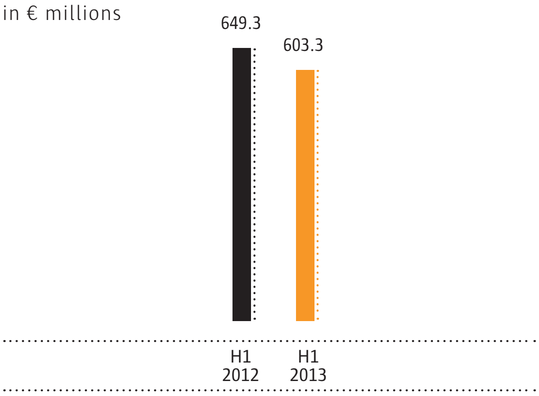
KEY FIGURES

in € millions	2nd Quarter 2011	2nd Quarter 2013	Change
Orders received	305.0	345.0	13.1%
Order backlog (06/30)	749.1	757.4	1.1%
Sales revenues	252.0	260.3	3.3%
Gross profit	31.7	34.7	9.5%
in % of sales revenues	12.6%	13.3%	–
Earnings before interest and taxes (EBIT)	10.4	15.1	45.2%
in % of sales revenues	4.1%	5.8%	–
Earnings before interest, taxes, depreciation and amortization (EBITDA)	13.4	17.8	32.8%
in % of sales revenues	5.3%	6.8%	–

The Systems division continued to benefit from strong automotive industry demand for its project expertise. The division's total **orders received** in the second quarter of 2013 came in at € 345.0 million, 13.1 percent higher than last year. Systems also benefited from the first-time consolidation of Utica. The orders on hand of 28 projects valued at € 40 million were booked as orders received by the Systems division effective of mid-April. Adjusted for these projects, orders received were roughly the same as the € 305.0 million reported for Q2/12. Together with the bookings from the first quarter of 2013, orders received for the first half of 2013 totaled € 603.3 million. Orders received in the first half of fiscal 2012 were reported at € 649.3 million, but the unusually large orders posted in 2012 were primarily awarded in the first half of the previous fiscal year.

SYSTEMS – ORDERS RECEIVED

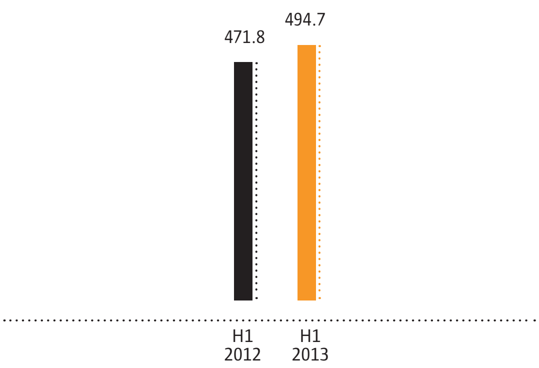
in € millions



The strong orders received in 2012 enabled the division to report **sales revenues** of € 260.3 million in the second quarter of 2013. This drove sales up 3.3 percent from the € 252.0 million reported in the second quarter of fiscal 2012. Overall, sales revenues in the first half of fiscal 2013 reached € 494.7 million, 4.9 percent higher than the € 471.8 million reported at the halfway mark of fiscal 2012. Just as Robotics did, Systems thus posted a new record for the first half of the fiscal year. System's book-to-bill ratio for the quarter remained at a very high 1.33. Last year at this time it was 1.21.

SYSTEMS – SALES REVENUES

in € millions



The Systems division's **order backlog** as of June 30, 2013 rose further to € 757.4 million, a new record. Comparable orders on hand on June 30, 2012 were € 749.1 million. Systems' capacity is thus already fully utilized for the current fiscal year and the division is even able to report some excellent loading extending into the next business year.

The Systems division's **earnings before interest and taxes** (EBIT) in the second quarter of 2013 came in at € 15.1 million, an outstanding achievement. The result compares to € 10.4 million in Q2/12. EBIT margin growth for the quarter just ended was excellent and rose to 5.8 percent, sharply higher than the 4.1 percent posted in Q2/12. The growth was driven by excellent market demand and better process management, which resulted in higher efficiency. The division reported a cumulative EBIT of € 26.9 million in the first six months of fiscal 2013 versus € 20.0 million in H1/12. EBIT margin was 5.4 percent this year and 4.2 percent in H1/12.

Major order received from European automotive sector

Systems received a project order for the engineering, development and construction of a facility to manufacture a series of vehicles in the premium compact car segment. The vehicles' front end structure and rear end will be assembled on the line. Parts will be joined using spot welding and gluing processes. Systems will be responsible for the entire project for the new models, including engineering, design, procurement and construction, as well as starting up and optimizing the performance of the two complete Europe-based assembly lines. The order is valued in the mid-double-digit million euro range.

EARNINGS, FINANCIAL AND ASSETS

Earnings

Generally, demand from customers in the second quarter of 2013 was strong. Although KUKA Group's consolidated sales of € 437.5 million for the second quarter of 2013 is similar to last quarter, it is slightly below the € 448.7 million generated in Q2/12. However, it should be noted that sales in the second quarter of 2012 were the second highest ever in the company's history. In total, sales revenues rose 7.0 percent from € 873.5 million in the first half of fiscal 2013 from € 816.0 million last year. The Group's consolidated orders received in the second quarter were posted at € 525.4 million, higher than the previous year's € 506.2 million in the same quarter, in part because of the first-time consolidation of Utica, but also the steady excellent demand. Gross margin on sales improved 10.8 percent last quarter to € 103.9 million from € 93.8 million in Q2/12. Overall gross margin rose accordingly, and was also up sharply, from 20.9 percent in Q2/12 to 23.7 percent in Q2/13, in part also because of a lower share of material costs. In the first six months of 2013, gross margin also rose faster than sales, up 20.5 percent or € 35.6 million to € 209.3 million, which compares to € 173.7 million in H1/12. The Group's gross margin rose accordingly during this period and was up 2.7 percent to now 24.0 percent. Both operating divisions contributed to this growth, in both the quarter and the first half of the fiscal year.

Overhead costs (sales, research and development and administration) totaled € 142.1 million versus € 122.4 million in H1/12. Overhead costs were 16.3 percent of sales, higher than last year's 15.0 percent. The higher costs of sales and administration were driven primarily by the expanding business volume and associated hiring. Research and development expenses were higher than in the same quarter last year as budgeted, and have now reached € 24.3 million, up from € 18.0 million in H1/12. KUKA's higher investment in technology and applications aims to enable it to retain existing customers by offering them product enhancements, as well to penetrate new markets. The company is also working hard on enhancing its engineering capabilities. Strong emphasis has been placed on pressing ahead with lightweight robot and control software development in a bid to secure the company's technology leadership. Important applications and projects are at the development stage and as a result the associated costs were capitalized. They will only impact the financial statements when they are amortized in subsequent periods.

In the first six months of fiscal 2013, € 4.0 million were capitalized for internally generated intangible assets. This compares to € 8.3 million in H1/12. The net result of other operating expenses and income of € -12.2 million, which compares to € -4.2 million in the first half of 2012, was driven by currency exchange effects and other factors. The key currencies impacting KUKA Group are the Japanese yen, the Chinese yuan and the US dollar.

Overall operating profit for the first six months of this year was € 55.0 million, which compares to € 47.1 million in H1/12. Adjusted for financing costs of € 2.4 million included in operating profit, down from € 3.4 million in H1/12, earnings before interest and taxes (EBIT) came in at € 57.4 million, up from € 50.5 million in H1/12. EBIT margin for the second quarter of fiscal 2013 was 6.6 percent versus 6.4 percent during the same period last year. This is the highest quarterly EBIT margin KUKA Group has generated in the past five years.

	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13
EBIT (in € millions)	21.9	28.6	31.7	27.6	28.4	29.0
EBIT-margin (in %)	6.0	6.4	6.5	6.4	6.5	6.6

The higher consolidated EBIT margin at the Group level is primarily attributable to the Systems division, where EBIT margin rose from 4.1 percent in the second quarter of 2012 to now 5.8 percent, a new record. The Robotics division posted an EBIT margin of 10.1 percent versus 11.8 percent in Q2/12. Last quarter's result was impacted in part by higher costs for research and development, as well as an expansion of its general industry business.

EBITDA (earnings before interest, taxes and depreciation) is tracking EBIT growth. EBITDA went from € 64.4 million in H1/12 to € 73.6 million in H1/13. Accordingly, depreciation, amortization and write-downs totaled 16.2 million in H1/13, which compares to € 13.9 million in H1/12. Of this total, € 10.0 million are attributable to Robotics (€ 7.0 million in H2/12), € 4.9 million to Systems (€ 5.4 million in H2/12), and € 1.3 million to other (€ 1.5 million in H2/12).

The financial result for the first half of fiscal 2013 was posted at € -10.6 million, which compares to € -5.6 million in H1/12. The interest expense item includes € 9.3 million for interest on the high yield bond placed in November 2010, versus € 9.4 million in H1/12 for the same item. It includes € 1.1 million for the convertible bond placed in February 2013. The buyback of some high-yield bonds at current market value generated an interest expense of € 3.2 million because the market values were higher than the book values. The improved guarantee conditions successfully negotiated in the last years reduced the cost of credit lines by € 1.0 million year-over-year. In addition, the external guaranteed credit line had been drawn down by nearly € 40 million less. As of June 30, 2013, the amount outstanding was € 135.6 million, which compares to € 172.8 million on June 30, 2012. The main reason for this development was that KUKA's creditworthiness has improved, which meant customers were more open to accepting KUKA Group guarantees in place of bank guarantees. Accounting-related reclassification of financing costs into operating profit had a positive impact on the net interest result; in H1/13 it came in at € 2.6 million versus € 3.8 million in H1/12. The share of interest for pensions is € 1.4 million compared to € 1.5 million in H1/12. Also included in both half-year results is interest income associated with the financing lease for the KTPO pay-on-production contract in the United States.

Earnings before taxes (EBT) in the first six months of 2013 totaled € 44.4 million, up 7.0 percent from the € 41.5 million earned in the same period last year. Taxes paid during the first quarter totaled € 17.4 million, versus € 15.9 million in H1/12. The tax rate for the first half of fiscal 2013 was thus 39.2 percent, up from 38.3 percent in H1/12.

KUKA Group's earnings after taxes for the first half of 2013 rose to € 27.0 million from € 25.6 million in H1/12. Earnings per share improved accordingly, going from € 0.75 to € 0.80.

GROUP CONSOLIDATED INCOME STATEMENT (CONDENSED)

in € millions	6 months 2012	6 months 2013
Sales revenues	816.0	873.5
EBIT	50.5	57.4
EBITDA	64.4	73.6
Financial results	-5.6	-10.6
Taxes on income	-15.9	-17.4
Net result	25.6	27.0

Financial position

Higher write-downs on intangible assets and the improved earnings are reflected in the higher cash earnings, which consist of earnings after taxes adjusted for cash-neutral depreciation on fixed assets and intangible assets and other income and expenses impacting cash. These came in at € 50.4 million, 10.0 percent higher than the comparable prior year's number of € 45.8 million.

Cash flow from operating activities rose € 58.9 million to € 69.2 million, which compares to € 10.3 million in H1/12. On December 31, 2012, tightened trade working capital was € 235.8 million. It rose € 3.6 million to € 239.4 million as of June 30, 2013. Receivables were up € 60.0 million, inventories minus down payments up € 10.0 million and offsetting liabilities totaled € -66.4 million. Trade receivables and receivables from construction contracts rose, especially in Germany and in the Americas. Accounts payable numbers were also higher in both these regions.

Capital expenditures for the first six months of 2013 were posted at € 18.9 million, which compares to € 22.8 million in H1/12. Most of the spending, € 12.4 million, was for plant property and equipment, whereby the focus was on machinery and associated equipment. Payments for the acquisition of consolidated companies and other business units totaled € 16.6 million in the first half of fiscal 2013. There was no spending in this area to the end of H1/12. The expenses in 2013 relate to the acquisition of Utica Enterprises, which has significantly expanded Systems' market share in the United States, and the Romanian company CMA-Technology, which is an attractive manufacturing location for Systems. Cash flow from investment activities in the first half of fiscal 2013 was reported at € -35.2 million, which compares to € -22.4 million in H1/12.

The improved cash flow from operating activities plus cash flow from investment activities resulted in a free cash flow of € 34.0 million, which compares to € -12.1 million in H1/12.

Cash flow from financing activities was positively impacted by the convertible bond with a face value of € 58.8 million placed in February, but the repurchase of some high-yield bonds in the quarter just ended at a nominal cost of € 20.5 million will result in significant interest cost savings in future quarters. Total cash flow from financing activities was reported at € 30.0 million, compared to € -2.2 million in H1/12.

KUKA Group now has disposable funds for financing of €308.6 million as of June 30, 2013, 99.7 percent more than the €154.5 million reported at the end of H1/12.

KUKA Group's net liquidity as of June 30, 2013; that is, liquid assets minus current and non-current financial liabilities, was €76.6 million, which compares to €-45.2 million reported at the halfway mark of fiscal 2012.

CONSOLIDATED CASH FLOW (CONDENSED)

in € millions	6 months 2012	6 months 2013
Cash Earnings	45.8	50.4
Cashflow from operating activities	10.3	69.2
Cashflow from investing activities	-22.4	-35.2
Free Cashflow	-12.1	34.0

Net worth

Non-current assets rose from €300.4 million on December 31, 2012 to €311.8 million as of June 30, 2013. The increase of €11.4 million was driven mainly by fixed assets.

Current assets were sharply higher, especially receivables and cash and cash equivalents. This was mainly due to the cash injection from the convertible bond issue. Further details are provided in the "Financial position" section. Current assets totaled €953.5 million as of June 30, 2013, €116.5 million higher than on December 31, 2012.

As of the record date, June 30, 2013, KUKA Group's balance sheet total rose from €1,137.4 million on December 31, 2012 to €1,265.3 million. This corresponds to a balance sheet improvement of 11.2 percent.

Equity increased from €297.5 million as of December 31, 2012 to €328.2 on June 30, 2013. The change calculation includes earnings after taxes of €27.0 million, the share of equity from the convertible bond issue and the dividend payment of €-6.8 million for fiscal 2012, which was subtracted. The equity ratio is now 25.9 percent, compared to 26.2 percent on December 31, 2012.

Financial debt consists mainly of the €202.0 million corporate high yield bond maturing in November 2017 and the €58.8 million convertible bond maturing in February 2018. Please see also the "Events after the balance sheet date" section of the report regarding the increase in the size of the convertible bond in July 2013.

Non-current liabilities rose from €523.4 million on December 31, 2012 to €593.4 million as of June 30, 2013, driven mainly by higher liabilities associated with trade payables.

KUKA Group's working capital declined during the first half of fiscal 2013. Working capital was down €18.5 million to €72.0 million as of June 30, 2013. At the end of 2012, it was still €90.5 million. Further information hereto is outlined in the "Financial position" section.

GROUP ASSETS

in € millions	12/31/2012	06/30/2013
Total assets	1,137.4	1,265.3
Equity	297.5	328.2
in % of total assets	26.2%	25.9%
Net debts	42.8	76.6

EVENTS AFTER THE BALANCE SHEET DATE

February convertible bond size increased to € 150 million on July 26, 2013

On July 26, 2013, KUKA Aktiengesellschaft increased the size of its February 12, 2013 convertible bond by €91.2 million to €150.0 million at an issue price of 111.5 percent. The proceeds from the issue of the new convertible bonds will serve to optimize the company's balance sheet, to increase its financial flexibility and to invest in growth opportunities. The new convertible bonds were offered exclusively to institutional investors outside the United States of America, Canada, Australia and Japan via a private placement.

Rating upgrade from Standard & Poor's on July 31, 2013

Standard & Poor's upgraded KUKA's rating from B+ auf BB- (stable outlook) on July 31, 2013. This was the second increase this year, following the upgrade from B to B+ in February.

RESEARCH & DEVELOPMENT

In the first half of fiscal 2013, KUKA Group spent € 24.3 million on research and development, which is according to budget and higher than the € 18.0 million spent to the end of the first half of fiscal 2012.

Most of the research and development expenses are to the account of the Robotics division. Systems conducts most of its R&D in conjunction with customer projects.

In June, KUKA presented its KR 5 R1400, a new robot for the inert gas welding sector. The machine is specially designed to meet the needs and specifications of emerging nations.

The company also proceeded to enhance the new KUKA Sunrise control platform. KUKA Sunrise is a basic platform for developing the new, increasingly sophisticated applications of many customers. LBR iiwa, the sensitive robot for industrial applications that was unveiled at this year's Hanover Fair, was subsequently presented to new customers with the enhanced controller at the world's largest robotics conference, ICRA.

Welding robot for Asia – KR 5 R1400

In June, KUKA Robotics presented a new welding robot for emerging nations at the “Welding and Cutting” trade show in Shanghai. The KR 5 R1400 is a specially designed to meet the needs of customers in this region. It is supplied with the KR C4 small size controller. Familiar KUKA quality attributes such as precision, safety and ruggedness are the same as always. The new welding robot was designed especially for general industry applications.

KUKA Sunrise – version 1 of the software released

After premiering at this year's Hanover Fair, LBR iiwa and the KUKA Sunrise controller, with its high-performance software interfaces, was presented to researchers at the world's largest robotics conference, ICRA. The functionality of the controller at the end of the second quarter of 2013 had reached the stage where a number of LBR iiwa beta sites could be set up at automotive customer sites.

A number of products and systems for the medical sector were shown at the CARS (Computer Assisted Radiology and Surgery) in Heidelberg, an international conference for medical experts. The lightweight robot was center stage. Thanks to its sensitive performance capabilities, it is suitable for use in the health care sector; for example, surgery or rehab applications. In the second quarter, medical customers also tested the sensitive lightweight robotics technology in some of their applications.

New power source for KUKA Magnetarc

Magnetarc welding was developed by KUKA Systems. It is a pressure welding process that relies on a magnetically driven arc in an inert gas environment.

Profiles with walls between 0.7 and 10 mm thick can be joined using this process. Suitable materials are electrically conductive and fusible, such as carbon steel and low-alloy steels, free-cutting steels, steel castings and malleable cast iron. The welding process can also be used to make composite joints between various materials.

In the second quarter, KUKA Systems completed prototypes of a new power source named MAGNETAR for use in the Magnetarc welding process.

These are now being tested and are designed to open the door to new applications, particularly in the field of thick-walled components.

New joint tech center

KUKA also invested in a new tech center. It includes an area of 1,600 square meters for test cells and interdepartmental projects. The new tech center provides a shared location for Systems and Robotics, where researchers and engineers will have access to the total sum of KUKA Group's application knowledge.

The company's technologies and associated software will be further enhanced at the tech center and customer applications replicated in a neutral environment. The modern equipment will also make it possible to conduct feasibility studies for customers. Because they share the same space, the development teams from KUKA's various companies are able to have ad hoc discussions and transfer knowledge and experience immediately. It allows newly developed KUKA robotic ideas, such as the laser tech package developed by KUKA Systems, to be tested right away locally, the functionality checked and the feedback channeled straight back into development activities.

EMPLOYEES

As a result of the continuing excellent sales growth, KUKA's own workforce also continued to expand in the second quarter of 2013. In total, 514 new people have been hired, bringing the size of the total workforce to 7,534, up from 7,020 as of the end of the second quarter of 2012. This corresponds to an increase of 7.3 percent. Compared to the end of 2012, the increase is 270 persons or 3.7 percent. The Robotics division's total headcount to the end of the first half of 2013 was 3,177 own employees, 4.0 percent or 122 persons more than at the same time last year. Most of the new hires were for the service and R&D departments.

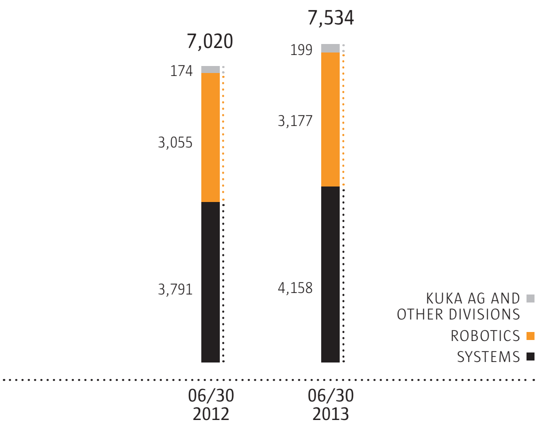
The Systems division had 4,158 employees as of the end of the first half of fiscal 2013. This represents an increase of 367 persons, or about 10 percent more than at the same time last fiscal year. The focus was on expanding the key strategic locations in China, the United States and our manufacturing and assembly locations in Eastern Europe.

KUKA Group's other companies had 199 employees as of June 30, 2013, which compares to 174 persons on June 30, 2012. Most of the new hires were added by the central departments.

The number of temporary workers at the Group level also rose, from 1,290 to 1,388. This increase reflects the divisions' excellent order backlog, while at the same time giving them greater flexibility.

In spring 2013, KUKA AG's Augsburg location was re-audited by Germany's berufundfamilie GmbH. The company successfully passed the audit and its certificate was renewed, confirming that its personnel policies are on track. The aim is to ensure that employees' professional and private interests can be balanced. This includes flexible working hours, home-office work rules, a company health management program and a long tradition of training young workers and offering them employment opportunities after their apprenticeship.

KUKA GROUP EMPLOYEES



RISKS AND OPPORTUNITIES

From an overall risk perspective, KUKA Group is primarily exposed to business performance and fiscal risks. The executive board is not aware of any individual or aggregated risks that could threaten the company's existence. Strategically and financially, the company is positioned to be able to take advantage of business opportunities.

Please refer also to the detailed report on pages 81 and following of the 2012 annual report.

OUTLOOK

In general, KUKA expects world economic growth to vary between regions, with an overall positive trend in 2013. The key automotive and general industry markets continue to be robust to slightly rising. However, growth rates will be significantly lower following the high capital spending seen between 2010 and 2012. From a regional perspective, demand from Asia and North and South America will be stronger, with Europe damping the overall trend amid volatility.

Based on these conditions, KUKA Group's overall sales revenues in 2013 should be slightly higher and reach around € 1.8 billion. Based on these sales revenue, we expect to generate an EBIT margin of around 6.5 percent. KUKA thus confirms its guidance.

INTERIM REPORT (CONDENSED)

GROUP CONSOLIDATED INCOME STATEMENT

in € millions	2nd Quarter 2012	2nd Quarter 2013	6 months 2012	6 months 2013
Sales revenues	**448.7**	**437.5**	**816.0**	**873.5**
Cost of sales	-354.9	-333.6	-642.3	-664.2
Gross profit	**93.8**	**103.9**	**173.7**	**209.3**
Selling expenses	-29.9	-32.4	-55.8	-63.0
Research and development expenses	-9.2	-12.0	-18.0	-24.3
General and administrative expenses	-26.6	-28.4	-48.6	-54.8
Other operating income	5.9	5.7	18.4	17.4
Other operating expenses	-7.0	-9.0	-22.6	-29.6
Result from operating activities	**27.0**	**27.8**	**47.1**	**55.0**
Reconciliation to earnings before interest and taxes (EBIT)				
Financing costs included in cost of sales	1.6	1.2	3.4	2.4
Earnings before interest and taxes (EBIT)	**28.6**	**29.0**	**50.5**	**57.4**
Net interest income	2.3	2.3	5.1	4.4
Net interest expense	-4.8	-8.8	-10.7	-15.0
Financial results	**-2.5**	**-6.5**	**-5.6**	**-10.6**
Earnings before tax	**24.5**	**21.3**	**41.5**	**44.4**
Taxes on income	-9.7	-8.8	-15.9	-17.4
Net result	**14.8**	**12.5**	**25.6**	**27.0**
thereof minority interests in profits	0.0	0.0	0.0	0.0
thereof shareholders of KUKA AG	14.8	12.5	25.6	27.0
Earnings per share (diluted / undiluted) in €	**0.43**	**0.37**	**0.75**	**0.80**

STATEMENT OF COMPREHENSIVE INCOME

in € millions	2nd Quarter 2012	2nd Quarter 2013	6 months 2012	6 months 2013
Earnings after taxes	**14.8**	**12.5**	**25.6**	**27.0**
Translation adjustments	5.5	-1.2	4.6	0.5
Changes of actuarial gains and losses	-0.5	2.0	-1.5	2.5
Deferred taxes on changes of acturial gains and losses	0.2	-0.4	0.4	-0.6
Other comprehensive income	**5.2**	**0.4**	**3.5**	**2.4**
Comprehensive income	**20.0**	**12.9**	**29.1**	**29.4**
of which: attributable to minority interests	0.0	0.0	0.0	0.0
of which: attributable to shareholders of KUKA AG	20.0	12.9	29.1	29.4

CONSOLIDATED CASH FLOW STATEMENT

in € millions	6 months 2012	6 months 2013
Net result	**25.6**	**27.0**
Depreciation / amortization on intangible assets	5.3	7.6
Depreciation / amortization on tangible assets	8.7	8.6
Other non-payment-related income	-1.4	-1.2
Other non-payment-related expenses	7.6	8.4
Cash Earnings	**45.8**	**50.4**
Result on the disposal of assets	6.0	8.9
Changes in current assets and liabilities:		
Changes in inventories	-22.9	15.3
Changes in receivables and deferred charges	-67.7	-54.0
Changes in liabilities and deferred charges (without debts)	49.1	48.6
Cash flow from operating activities	**10.3**	**69.2**
Payments from disposals of fixed assets	0.4	0.3
Payments for capital expenditure on intangible assets	-10.8	-6.5
Payments for investments on tangible assets	-12.0	-12.4
Payments for investments in consolidated companies	0.0	-16.6
Cash flow from investing activities	**-22.4**	**-35.2**
Free cash flow	**-12.1**	**34.0**
Dividend payments to KUKA AG shareholders	0.0	-6.8
Payment from issuing the convertible bond	0.0	37.2
Payment for repaying liabilities due to banks and liabilities similiar to bonds	-2.2	-0.4
Cash flow from financing activities	**-2.2**	**30.0**
Payment-related change in cash and cash equivalents	**-14.3**	**64.0**
Exchange-rate-related and other changes in cash and cash equivalents	0.0	0.3
Change in cash and cash equivalents	**-14.3**	**64.3**
Cash and cash equivalents at the beginning of the period	168.8	244.3
Cash and cash equivalents at the end of the period	**154.5**	**308.6**

GROUP BALANCE SHEET

ASSETS

in € millions	12/31/2012	06/30/2013
Non-Current assets		
Fixed assets		
Intangible assets	82.9	96.7
Tangible assets	94.9	100.3
Financial investments and investments in associates	0.2	0.2
	178.0	**197.2**
Long-term finance lease receivables	**70.2**	**68.2**
Long term tax receivables	**6.3**	**7.0**
Other long-term receivables and other assets	**9.6**	**8.6**
Deferred taxes	**36.3**	**30.8**
	300.4	**311.8**
Current assets		
Inventories	**213.4**	**198.6**
Receivables and other assets		
Trade receivables	141.7	180.9
Receivables from construction contracts	198.9	219.7
Current finance lease receivables	5.0	5.2
Current tax receivables	6.8	3.8
Other assets, prepaid expenses and deferred charges	26.9	36.7
	379.3	**446.3**
Cash and cash equivalents	**244.3**	**308.6**
	837.0	**953.5**
	1,137.4	**1,265.3**

EQUITY AND LIABILITIES

in € millions	12/31/2012	06/30/2013
Equity	**297.5**	**328.2**
Non-current liabilities, provisions and accruals		
Non-current financial liabilities	194.9	225.8
Other non-current liabilities	13.4	13.9
Pensions and similiar obligations	82.0	77.7
Deferred taxes	26.2	26.3
	316.5	**343.7**
Current liabilities		
Current financial liabilities	6.6	6.2
Trade payables	136.2	194.6
Advances received	86.5	61.7
Liabilities from construction contracts	95.5	103.5
Accounts payable to affiliated companies	0.1	0.1
Other current liabilities and deferred income	9.2	10.1
Provision for taxes	109.1	127.5
Other provisions	80.2	89.7
	523.4	**593.4**
	1,137.4	**1,265.3**

CHANGES TO GROUP EQUITY

				Revenues reserves					
in € millions	Number of shares out-standing	Subscribed capital	Capital reserve	Translation gains/losses	Actuarial gains and losses	Annual net income and other revenue reserves	Equity to shareholders	Minority interests	Total
01/01/2013	**33,915,431**	**88.2**	**67.5**	**-0.1**	**-10.2**	**150.7**	**296.1**	**1.4**	**297.5**
Comprehensive income				0.5	1.9	27.0	29.4	0.0	29.4
Dividend payments to KUKA AG shareholders						-6.8	-6.8		-6.8
Employee share program							0.0		0.0
Other changes			7.5		0.6		8.1		8.1
06/30/2013	**33,915,431**	**88.2**	**75.0**	**0.4**	**-7.7**	**170.9**	**326.8**	**1.4**	**328.2**

				Revenues reserves					
in € millions	Number of shares out-standing	Subscribed capital	Capital reserve	Translation gains/losses	Actuarial gains and losses	Annual net income and other revenue reserves	Equity to shareholders	Minority interests	Total
01/01/2012	**33,915,431**	**88.2**	**67.5**	**-0.2**	**0.2**	**95.2**	**250.9**	**1.5**	**252.4**
Comprehensive income				4.6	-1.1	25.6	29.1	0.0	29.1
Dividend payments to KUKA AG shareholders							0.0		0.0
Employee share program						1.3	1.3		1.3
Other changes							0.0		0.0
30/06/2012	**33,915,431**	**88.2**	**67.5**	**4.4**	**-0.9**	**122.1**	**281.3**	**1.5**	**282.8**

NOTES ON THE QUARTERLY REPORT (CONDENSED)

GROUP SEGMENT REPORTING

	Robotics		Systems		KUKA AG and other companies		Reconciliation and consilidation		Group	
in € millions	6 months 2012	6 months 2013	6 months 2012	6 months 2013	6 months 2012	6 months 2013	6 months 2012	6 months 2013	6 months 2012	6 months 2013
Group external sales revenues	344.9	380.1	471.1	493.4	0.0	0.0	–	–	816.0	873.5
as a % of Group sales revenues	42.3%	43.5%	57.7%	56.5%	0.0%	0.0%	–	–	100.0%	100.0%
Intra-Group sales	9.9	11.0	0.7	1.3	0.0	0.0	-10.6	-12.3	–	–
Sales revenue by division	**354.8**	**391.1**	**471.8**	**494.7**	**0.0**	**0.0**	**-10.6**	**-12.3**	**816.0**	**873.5**
Result from operating activities	**39.7**	**39.4**	**16.7**	**24.7**	**-6.3**	**-10.0**	**-3.0**	**0.9**	**47.1**	**55.0**
Financing costs included in cost of sales	0.1	0.2	3.3	2.2	–	–	–	–	3.4	2.4
Earnings before interest and taxes (EBIT)	**39.8**	**39.6**	**20.0**	**26.9**	**-6.3**	**-10.0**	**-3.0**	**0.9**	**50.5**	**57.4**
as a % of sales revenues of the division	11.2%	10.1%	4.2%	5.4%	–	–	–	–	6.2%	6.6%
as a % of Group external sales revenues	11.5%	10.4%	4.2%	5.5%	–	–	–	–	6.2%	6.6%
EBITDA	**46.8**	**49.6**	**25.4**	**31.8**	**-4.7**	**-8.7**	**-3.1**	**0.9**	**64.4**	**73.6**
as a % of sales revenues of the division	13.2%	12.7%	5.4%	6.4%	–	–	–	–	7.9%	8.4%
as a % of Group external sales revenues	13.6%	13.0%	5.4%	6.4%	–	–	–	–	7.9%	8.4%
Assets (12/31/2012 / 06/30/2013)	343.8	357.7	508.6	563.4	173.5	172.9	-175.9	-175.4	850.0	918.6
Payroll (06/30)	3,055	3,177	3,791	4,158	174	199	–	–	7,020	7,534

IFRS/IAS ACCOUNTING STANDARDS

KUKA Aktiengesellschaft, headquartered in Augsburg, prepared its interim financial statements for the period ending June 30, 2013 in line with the IAS 34 Interim Financial Reporting guidelines as adopted by the European Union. The company elected to prepare a condensed version in accordance with this standard. The condensed consolidated interim report should be read in conjunction with the Group's consolidated financial statements to December 31, 2012.

The consolidated financial statements for 2012 were prepared according to the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) of the International Accounting Standards Board (IASB), the interpretations of the Standing Interpretation Committee (SIC) as well as the International Financial Reporting Interpretation Committee (IFRIC), as approved by the European Union, supplemented by the guidelines stipulated in article 315a, paragraph 1 of the German Commercial Code (HGB).

GROUP OF CONSOLIDATED COMPANIES

The Group interim report contains 50 companies. In addition to KUKA Aktiengesellschaft, it includes six companies registered inside Germany and 43 firms domiciled outside Germany, for which KUKA Aktiengesellschaft either directly or indirectly holds majority voting rights.

In comparison to December 31, 2012, CMA TECHNOLOGY SRL, based in Sibiu, Romania, has been added to the group of consolidated companies. The company is part of the Systems division.

ACQUISITIONS

The Systems division undertook two acquisitions to strengthen its market position and to expand its vertical manufacturing depth. Preliminary numbers for these entities have been included in the Group financial statements. On April 14, 2013, the division concluded an asset deal for the systems business of Utica Enterprises, based in Shelby Township, Michigan.

The acquired company builds assembly lines for car bodies and subassemblies. The company also makes laser welding systems, as well as joining and stamping systems.

On June 28, 2013, the division acquired 100 percent ownership of CMA TECHNOLOGY SRL, based in Sibiu, Romania. CMA specializes in manufacturing metal parts for plant engineering projects.

Of the purchase price of € 28.7 million, € 16.6 million were immediately paid in cash. The rest of the purchase price is divided into a fixed payment of € 0.4 million and sales and profit-related components of € 1.0 million and € 10.7 million that come due in subsequent years.

Cash and cash equivalents of € 0.1 million were acquired as part of the deal. Additional shares of fully consolidated companies were not acquired.

As of June 30, 2013, sales of 6.4 million and a net loss for the year of 1.0 million are attributable to the acquisition. If the businesses had already been consolidated at the beginning of 2013, they would have contributed € 23.0 million to revenues and € 1.2 million to net earnings.

The following table shows the carrying amounts assumed as a result of the transactions immediately prior to the acquisitions as well as the opening balance sheet in fair values.

in € millions	Carrying amounts assumed	Opening balance sheet at fair value
Intangible assets	1.6	3.8
Tangible assets	2.0	2.0
Receivables	11.3	11.3
Inventories and other assets	1.1	1.1
Liabilities	0.6	0.6

In addition to software licenses, the acquired intangible assets consist mainly of customer lists and orders on hand. Receivables and inventories relate mainly to the orders in house at the time of the acquisitions. Contingent liabilities were not assumed. No deferred tax liabilities were recognized.

The transaction resulted in a total goodwill of € 11.2 million, which has been allocated to the cash generating unit Body Structure and Engineering. The goodwill reflects expectations of business growth from the stronger market presence and synergies resulting from the vertical integration of semi-finished goods.

ACCOUNTING AND VALUATION METHODS

The same valuation methodology and accounting principles as those used for the consolidated financial statements for the business year ending 2012 were applied in preparing this consolidated interim report, with the exception of the changes described in the following. For further information, please refer to the consolidated financial statements dated December 31, 2012, which form the basis of the interim report presented here. The latter are also available on the Internet at www.KUKA.com.

CHANGES TO ACCOUNTING AND VALUATION POLICIES

The following new standards and interpretations have come become mandatory since the start of the 2013 financial year:

_ IAS 19 (revised 2011), Employee Benefits
_ IFRS 13, Fair Value Measurement
_ Amendments to IFRS 7, Financial Instruments: Disclosures in the Notes Regarding Offsetting of Financial Assets and Financial Debt
_ Amendments to IFRS 1, Loans Granted by the State
_ Improvements to IFRS (2009 – 2011)
_ IFIC 20, Stripping Costs During the Production Phase of a Surface Mine

Amendments to IAS 19 (revised 2011), Employee Benefits, eliminated the optional handling of actuarial gains or losses. Gains are now to be reported in the period in which they are generated under Other Comprehensive Income. This has already been KUKA's practice to date. In addition, earnings from the plan assets are to be recognized as income based on the returns of corporate bonds – independent of the actual portfolio structure. Past service costs resulting from plan changes are to be recognized immediately in the period the changes occur. In addition, the standard return on plan assets applied is now to match the discount rate applied to pension obligations.

Effective 2013, administration costs for the plan assets are to be recognized as a part of the revaluation component in Other Comprehensive Income, while other administration costs are to be itemized under Operating Profit at the time they are incurred. Overall, the changes have no material impact on KUKA Group's pension obligations.

IAS 19 (revised 2011) also has an impact on accounting-related partial retirement obligations according to the block model. Insurers hold reinsurance covers for excess obligations. These are recognized using the same interest rate as the corresponding liability. The amount added for partial retirement liabilities will now be proportional to the amounts in the applicable collective labor agreement.

IAS 19 (revised 2011) is to be applied retroactively. However, since there will be no material impact on KUKA Group's earnings, KUKA will not adjust previous periods.

In detail, the changes to IAS 19 (revised 2011) will have the following impact on equity, before accounting for deferred taxes, for pension accruals and liabilities related to partial retirement:

in € millions	01/01/2012	01/01 – 12/31/2012
Pension accruals	0.1	0.1
Liabilities related to partial retirement	1.1	-0.2

The remaining new standards and interpretations are not applicable to or have little impact on KUKA's consolidated statements.

EARNINGS PER SHARE

Undiluted / diluted earnings per share break down as follows:

		6 months 2012	6 months 2013
Net result attributable to shareholders of KUKA AG	in € millions	25.6	27.0
Weighted average number of shares outstanding	shares	33,915,431	33,915,431
Earnings per share	in €	**0.75**	**0.80**

Undiluted earnings per share due to shareholders of KUKA Aktiengesellschaft were calculated as per IAS 33 on the basis of Group consolidated earnings after taxes and the weighted average number of shares outstanding for the year.

In the first six months of 2013, the weighted average number of shares in circulation was 33.9 million. Some stock dilution could arise in the future if bondholders convert their convertible bonds issued in February 2013 to shares, because capital was conditionally increased. In the first half of fiscal 2013, the average price of the shares on the stock market was below the conversion price. This would have resulted in a loss if bondholders had converted, so there was no dilution.

SHAREHOLDERS' EQUITY

The subscribed share capital of KUKA Aktiengesellschaft of € 88,180,120.60 is subclassified into 33,915,431 no par value bearer shares. Each share entitles its holder to one vote.

The capital reserve applies to KUKA Aktiengesellschaft. The change compared to December 31, 2012 resulted from the issue of the convertible bond in February 2013.

On June 30, 2013, a total of 33,915,431 million shares were in circulation.

IAS 19 EMPLOYEE BENEFITS

The balance sheet employee benefits account rate of return as of June 30, 2013 and as per IAS 19 for German companies is 3.25 percent per annum and 4.70 percent per annum in North America. On December 31, 2012 it was 3.00 percent for German companies and 3.90 percent in North America. This resulted in actuarial gains for the defined benefit obligation of € 3.0 million. Investment income growth from external pension funds exceeded expectations, resulting in actuarial gains of € 0.1 million.

The balance sheet employee benefits account rate of return as of June 30, 2013 and as per IAS 19 was 1.35 percent. On December 31, 2012 it was 3.98 percent. This resulted in actuarial losses for the defined benefit obligation of € 0.6 million.

The actuarial result was reported under equity as an income-neutral sum of € 1.9 million in consideration of deferred taxes.

CONVERTIBLE BOND

In February KUKA issued a convertible bond with a face value of € 58.8 million maturing in February 2018. The bond was issued in denominations of € 100,000 and grants rights for conversion into up to 1,597,535 new no par value bearer shares of KUKA AG. The initial conversion price is € 36.8067 per share. The conversion ratio is thus 2,716.8967 shares for each € 100,000 bond. The conversion right can be exercised until the maturity date of the bond. The bond carries an interest coupon of 2.0 percent p.a. Interest is paid twice a year, on February 12 and August 12, with the first payment due on August 12, 2013.

Accounting-wise, the convertible bond is broken down into an equity and a debt component. The market value of the debt component including issue costs is € 50.1 million. As a result of the attractive market interest rate from a risk perspective, the company also issued a fixed interest bond with no conversion rights paying 5.03 percent at the same time it issued the convertible instrument. The resulting value of the equity component is 7.5 million and is recognized as part of the capital reserve taking into consideration latent taxes and will not be changed until the due date or conversion. The interest expense recognized for the bond in the first half of fiscal 2013 was € 1.1 million.

BOND

In the second quarter, KUKA bought back € 20.5 million worth of the € 202.0 million bond issued by KUKA Aktiengesellschaft in November 2010 at market prices, which ranged between 112.35 and 112.55. The buybacks aim to adjust the company's financing portfolio.

SYNDICATED SENIOR FACILITIES AGREEMENT

The Syndicated Senior Facilities Agreement signed in November 2010 comprises a total of € 200.0 million (of which € 50.0 million is a cash credit line and € 150.0 million a line of credit for LCs) and matures at the end of March 2014. According to an amendment to the Syndicated Senior Facilities Agreement in the second quarter of 2012, the company can now elect to use the cash credit line as a line of credit for LCs.

Line of credit utilization totaled € 89.4 million as of the balance sheet date versus € 109.4 on December 31, 2012; the existing operating line of credit was split for KUKA Systems (India) and utilized in the amount of € 3.4 million compared to € 4.2 million on December 31, 2012, as well as € 11.5 million for LCs.

For additional information about the Syndicated Senior Facilities Agreement, please refer to the December 31, 2012 annual report.

CREDIT LINES FROM SURETY COMPANIES

Additional approved credit lines totaling € 62.0 million exist with surety companies, similar to the situation on December 31, 2012. According to the Syndicated Senior Facilities Agreement, the amount that may be drawn on these credit lines shall be no more than € 45.0 million. At the end of the first half of fiscal 2013, the company had utilized € 34.7 million versus € 39.5 million on December 31, 2012.

ASSET-BACKED SECURITIES (ABS) PROGRAM

As outlined in the 2012 annual report, KUKA has two ABS programs (Asset-Backed Securities) totaling € 50.0 million. A total of € 21.3 million were utilized as of June 30, 2013, which compares to € 13.8 million on December 31, 2012. One ABS program was terminated by KUKA in June 2013, effective the first quarter of 2014.

For additional information about the ABS programs, please refer to the annual report dated December 31, 2012.

SEGMENT REPORTING

The internal reporting and organizational structure subdivides KUKA into the KUKA Robotics and KUKA Systems segments. Key financial indicators are determined for both segments. Earnings before interest and taxes (EBIT) is used as the key indicator in regard to managing segment profits.

The main elements of the segment reports are contained in the management report on the operating business divisions, Robotics and Systems, as well as in the tables at the beginning of the notes to the quarterly report.

CASH FLOW STATEMENT

The cash flow statement shows changes to KUKA Group's liquidity position in accordance with IAS 7. This item comprises all funds recognized on the balance sheet as cash and cash equivalents, i. e. cash in hand, checks and cash balances with financial institutions, provided that they are available within three months. None of the cash is subject to restrictions related to disposal.

CONTINUED OBLIGATIONS AND COMMERCIAL COMMITMENTS

There has been no material change in other financial obligations and contingent liabilities since December 31, 2012.

RELATED PARTIES

There have been no changes in dealings with related persons or companies since December 31, 2012.

In total, the value of goods and services supplied to related parties in the first six months of the financial year was € 3.3 million. The goods and services received by the Group from related parties were worth € 10.8 million. As of June 30, 2013, receivables totaled € 2.1 million and liabilities € 0.5 million. The market oriented transfer prices are in accordance with the "dealing at arm's length" principle.

EVENTS OF MATERIAL IMPORTANCE AFTER THE END OF THE REPORTING PERIOD

On July 23, KUKA Aktiengesellschaft released an ad hoc disclosure, an excerpt of which is provided here:

"The Management Board of KUKA Aktiengesellschaft passed a resolution today with the approval of the Supervisory Board to offer convertible bonds with an aggregate nominal amount of € 91,200,000 maturing February 12, 2018. The convertible bonds are initially convertible into up to 2,477,809 newly issued bearer shares with no par value of KUKA Aktiengesellschaft. Shareholders' subscription rights are excluded.

The convertible bonds will increase the issue of € 58,800,000 convertible bonds issued by KUKA Aktiengesellschaft on February 12, 2013 to a total of € 150,000,000. The convertible bonds will bear interest at an interest rate of 2.00 percent per annum, they will have a denomination of € 100,000 per bond and, unless previously converted, repurchased or redeemed, will be redeemed at par at maturity. The initial conversion price is € 36.8067.

The convertible bonds will be offered solely to institutional investors outside of the United States of America, Canada, Australia and Japan via a private placement.

The convertible bonds will be issued at a price above their nominal value. (…)

KUKA Aktiengesellschaft intends to use the proceeds from the convertible bond offering to optimize its balance sheet in the medium term, as well as to increase its financial flexibility, inter alia, to fund the company growth."

KUKA Aktiengesellschaft received a cash injection of € 101.1 million as a result of the convertible bond issue on July 26, 2013.

RESPONSIBILITY STATEMENT FROM LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles for proper interim financial reporting the condensed interim consolidated financial statements give a true and fair view of the assets, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Augsburg, August 6, 2013

The Executive Board

Dr. Till Reuter Peter Mohnen

DECLARATION BY THE AUDITORS

To KUKA Aktiengesellschaft, Augsburg

We have reviewed the condensed consolidated interim financial statements consisting of the condensed income statement, comprehensive income, condensed cash flow statement, condensed balance sheet, changes to Group equity statement and selected explanatory notes, and the interim Group management report of KUKA Aktiengesellschaft, Augsburg, all of which form part of the half-year report as per section 37w of the German Securities Trading Act (WpHG), for the period from January 01, 2013 to June 30, 2013. Preparation of the condensed consolidated interim report according to IFRS for interim reporting as adopted by the EU, and the interim Group management report according to the German Securities Trading Act guidelines for interim group management reports is the responsibility of the company's executive board. Our responsibility is to issue a statement on the condensed consolidated interim financial statements and the interim Group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim Group management report in accordance with the German standards for the review of financial statements stipulated by the Institute of Public Auditors in Germany (IDW). According to these standards, we are required to plan and conduct our review so that we can be reasonably certain through critical evaluation that the condensed consolidated interim financial statements have been prepared in all material respects in accordance with the IFRS as applicable to interim financial reporting, and as adopted by the EU, and that the interim Group management report has been prepared in all material respects in accordance with the applicable directives of the German Securities Trading Act (WpHG). A review is primarily restricted to interviews with company employees and analytical evaluations and is therefore less rigorous than an audit. Since we have not conducted an audit, we are unable to express an audit opinion.

When conducting our review, we did not encounter any issues that lead us to conclude that the condensed consolidated interim financial statements have not been prepared in all material respects in accordance with IFRS as applicable to interim financial reporting, and as adopted by the EU. Neither did we conclude that the interim Group management report has not been prepared in all material respects in accordance with the provisions of the German Securities Trading Act as it applies to interim group management reports.

Munich, August 6, 2013

KPMG
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Karl Braun	Rainer Rupprecht
(German public auditor)	(German public auditor)

FINANCIAL CALENDAR 2013

NOVEMBER 6, 2013 **INTERIM REPORT FOR THE FIRST NINE MONTHS**

This quarterly report was published on August 7, 2013 and is available in German and English from KUKA AG's Investor/ Public relations department. In the event of doubt, the German version applies.

DISCLAIMER

CONTACT AND IMPRINT

KUKA AG

Zugspitzstr. 140
86165 Augsburg
Germany
Tel.: +49 821 797-0
Fax: +49 821 797-5333
kontakt@kuka.com

PUBLIC / INVESTOR RELATIONS

Tel.: +49 821 797-5251
Fax: +49 821 797-5333
ir@kuka.com

CREATED AND PREPARED BY

Whitepark GmbH & Co., Hamburg

WWW.KUKA.COM